



MANGAUNG

AT THE HEART OF IT ALL

Consolidated Annual Report
2024/2025





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Chapter 1

EXECUTIVE MAYOR'S FOREWORD
AND CITY MANAGER'S OVERVIEW

Consolidated Annual Report 2024/2025



Chapter 1

Executive Mayor's Foreword and City Manager's Overview

Component A: Executive Mayor's Foreword

The City received a qualified audit opinion during 2023/2024 fiscal year. We could have obtained a better audit opinion if we had mastered dealing with concerns such as overtime, to name a few. The adherence to Recognised Accounting Practice (GRAP), has aided in the eradication of some of the previous fiscal year's errors.

As the city, our current financial recovery trajectory is unquestionably positive, with undeniable proof of overcoming earlier conflicts between the political and administrative interphases as well as instability. Mangaung residents have recently witnessed the regular meetings of the municipal council and its committees. Historic volatility harmed not only effective service delivery, but also local economic development and growth. In improving effective oversight, we aligned the annual work plans of our municipal public account committee (MPAC) with the framework designed by the National Treasury and COGTA which provides normative guidelines for the MPACs.

This Annual Report is compiled in the year which 2025 marks a pivotal moment for South Africa, and Africa in particular, in terms of international diplomatic relations. Our country is the first African state to host the G20 Presidency. Moreover, Our City is one of the city which held G20 Cultural Diplomacy Roadshow for 2 days. This does not only allow us space to advocate the interest of Africans on the global stage but to improve good governance as we can offer other states what we do not have and this binds all the spheres of government in South Africa.

Our success in the stabilisation of governance positioned us for financial recovery and attraction of potential investors in the local economy. Subsequently, we managed to host a successful economic investment summit in February 2025 to attract many investors to our city. The city aligned its Five (5) IDP strategic development objectives with the following national and provincial policies:

- Seventeen (17) 2030 Agenda for Sustainable Development Goals (SDGs)
- Four (4) Integrated Urban Development Framework (IUDF)
- Eight (8) Development Strategies of National Development Plan (NDP) 2030
- Three (3) Strategic Priorities from Medium - Term Development Plan (MTDP) 2024 – 2029
- Six (6) Strategic Priorities of the Free State Growth and Development Strategy (FSDGS) 2030
- District Development Plan (One Plan) "An Intergovernmental Relations Perspective"

We are setting ourselves ready to improve the value for money in all capacity-building investments across all directorates. To also address, areas of great concern which are institutional capacity to cascade all community needs encapsulated in the IDP into performance indicators, especially in terms of funding. In this context, it is imperative to reemphasise the fact that the IDP targets set for a period five years, are reviewed annually.

Since this report relates more to performance management, monitoring and evaluation, the role of the oversight and monitoring institutions is highly commended and encouraged.

Thus 2024/2025 Annual Report, in the main, provides details on correctives measure on challenges faced by the City and was highlighted in previous audit circle:

- Prioritise institutional capacity towards improved service delivery and financial health of the city;
- Improving road maintenance of public roads, major economic roads and roads leading to social facilities through a comprehensive integrated transport plan;

- Prioritisation of spatial development projects including the development of integrated and sustainable human settlements in accordance with the catalytic land development programme;
- Provision for equitable and inclusive access to land, and ownership;
- Economic and rural development.
- We are also faced with numerous challenges impacting effective service delivery, including poor infrastructure stemming from ageing or poor maintenance of roads, underground water pipes, draining system, buildings, and budgetary constraints.

In achieving the above, the city has improved on its capacity for community involvement and the expertise, training and research offered by the institutions of higher learning in Mangaung. Accordingly, we envision the role of these institutions to be critical in all IDP processes, with a particular focus on the existing MOUs underpinning our partnerships. The city's IDP therefore contains our plans on how we will restore Mangaung to its former glory as undisputed model of good governance. This will continue to be influenced in accordance with the IDP and Budget Process Plan as approved by the Council in terms of the provisions of Municipal Finance Management Act.

The introduction and use of the Financial Management Capability Maturity Model (FMCMM) to development the Audit Action Plan, is very instrumental in tracking and ensuring that findings raised are corrected and stringent strategies are developed to eliminate re-occurrence. With the resilience and commitment demonstrated by the councillors and the administration, we will surely finish this term stronger than when we started. In conclusion, as I present this Annual Report for 2024/2025, emphasis is our vision to be a City that is globally safe and attractive to work, invest, and live in. And this will come to pass if we apply ourselves diligently in the just cause of a better life for all in Mangaung.



Cllr. Gregory Nthatsi
Executive Mayor

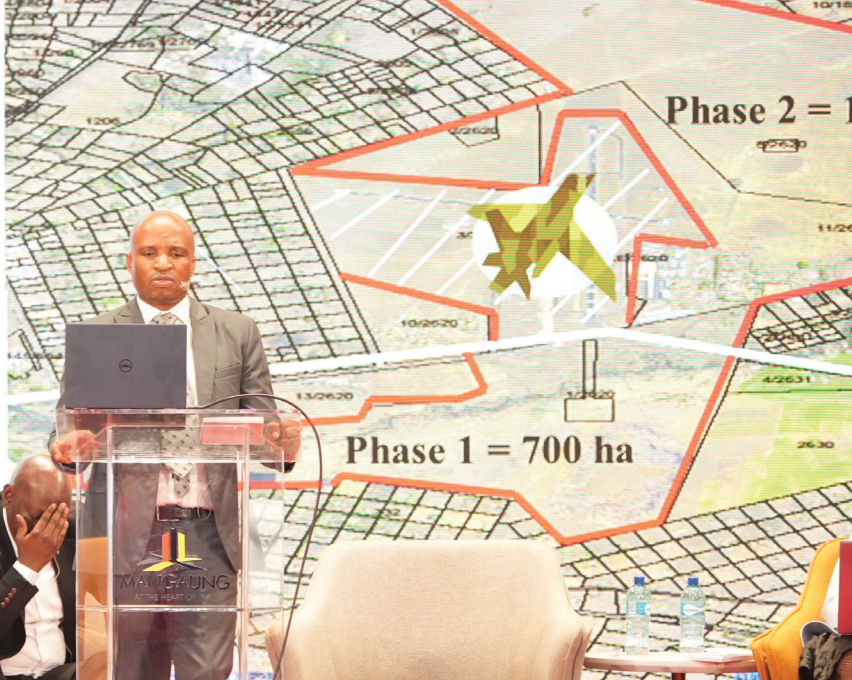


PROJECT INFORMATION

- Along the N8 corridor
- Phase 1 = 700 ha
- Phase 2 = 1100 ha
- Integrated mixed use development

READINESS

- Town Planning processes completed,
- Township establishment approved.
- Bulk Infrastructure available
- Studies completed



Component B: City Manager's Overview

The financial year 2024/2025 was both challenging and successful. However, success and obstacles necessitated the use of excellent management practices. The use of disclosures is one of the most significant instruments for public authorities to prevent potential conflicts of interest and incompatibilities, as well as other steps that promote openness. The Municipality must provide appropriate resources to guarantee that development programs are adequately funded and implemented on schedule, as well as continually monitor and assess results. Overall, an annual report, audit compliance, capacity building, financial performance improvement, and risk management are all key components of organizational success.

Adherence to audit protocols is a crucial component of an annual report. This guarantees that the report's financial data satisfies all applicable legal and regulatory criteria and is accurate and trustworthy. In addition, to preventing financial mismanagement and fraud, following audit procedures can increase stakeholder trust. Building an organization's capacity is another crucial component. This is the process of enhancing and expanding the company's and its employees' resources, expertise, and abilities.

Among other things, overtime was emphasized in the 2023 – 2024 qualified audit outcome. Given that the city is currently developing a shift system, the paragraph above regarding the organization's capabilities is crucial. This can be achieved through training and development programs, as well as wise expenditures in equipment and technology. By investing in capacity building, an organization can improve quality, increase efficiency, and better respond to the changing demands of our communities.

For the year under review the city had improved its collection revenue rate by 108% at the end of the financial year. Improving financial performance is a primary goal for Mangaung. This is achieved through a variety of strategies, such as cost

cutting, revenue improvement, and increasing efficiency. Risk management is another important aspect of organisational success. It involves identifying and evaluating potential risks that could impact the company's performance, and implementing strategies to mitigate or manage those risks. Risk management is an important aspect in the city and has also prioritised to minimise the impact of negative events, such as financial losses, and can help it to better prepare for unexpected disruptions. Continued monitoring of audit action plan is also one of the priorities set by the city. The exercise enables us to recognise that good governance requires effective, representative, transparent and accountable government institutions at all levels, public participation, effective checks and balances, and the separation of powers, as well as noting the role of information and communications technologies in achieving these aims.

This Annual Report will account to the stakeholders on the business process undertaken by the municipality during the 2024/2025 reporting period.

Sello More
City Manager
















Component C: Municipal Overview

1.1 Mangaung's Vision with objects of local governments



1.2 Mangaung Demographic Profile

Mangaung which is in the Free State province, has an area of 9,899 km² and is conveniently situated near the main transport networks including the N1 (which links Gauteng with the Southern and Western Cape), the N6 (which links Bloemfontein to the Eastern Cape), and the N8 (which links Bloemfontein to Lesotho in the east and with the Northern Cape in the west). Below figure 1 provides Demographic profile as per Census 2022:

Name	2022	2011	Increased or Declined
Total population	811 431	775 184	
	Population growth rate 0.4		
Young children (0-14 years)	25,1%	27,1%	
Working age population (15-64 years)	68,2%	67,6%	
Elderly (65+ years)	6,7%	5,4%	
Dependency ratio	46,7	48,0	
Sex ratio	90,6	93,9	
No schooling (20+ years)	3,0%	4,5%	
Higher education (20+ years)	13,3%	13,5%	
Number of households	229 426	240 700	
Average household size	3,5	3,2	
Formal dwellings	90,1%	83,8%	
Flush toilets connected to sewerage	71,0%	63,5%	
Weekly refuse disposal service	59,1%	77,8%	
Access to piped water in the dwelling	47,3%	45,5%	
Electricity for lighting	95,5%	91,4%	

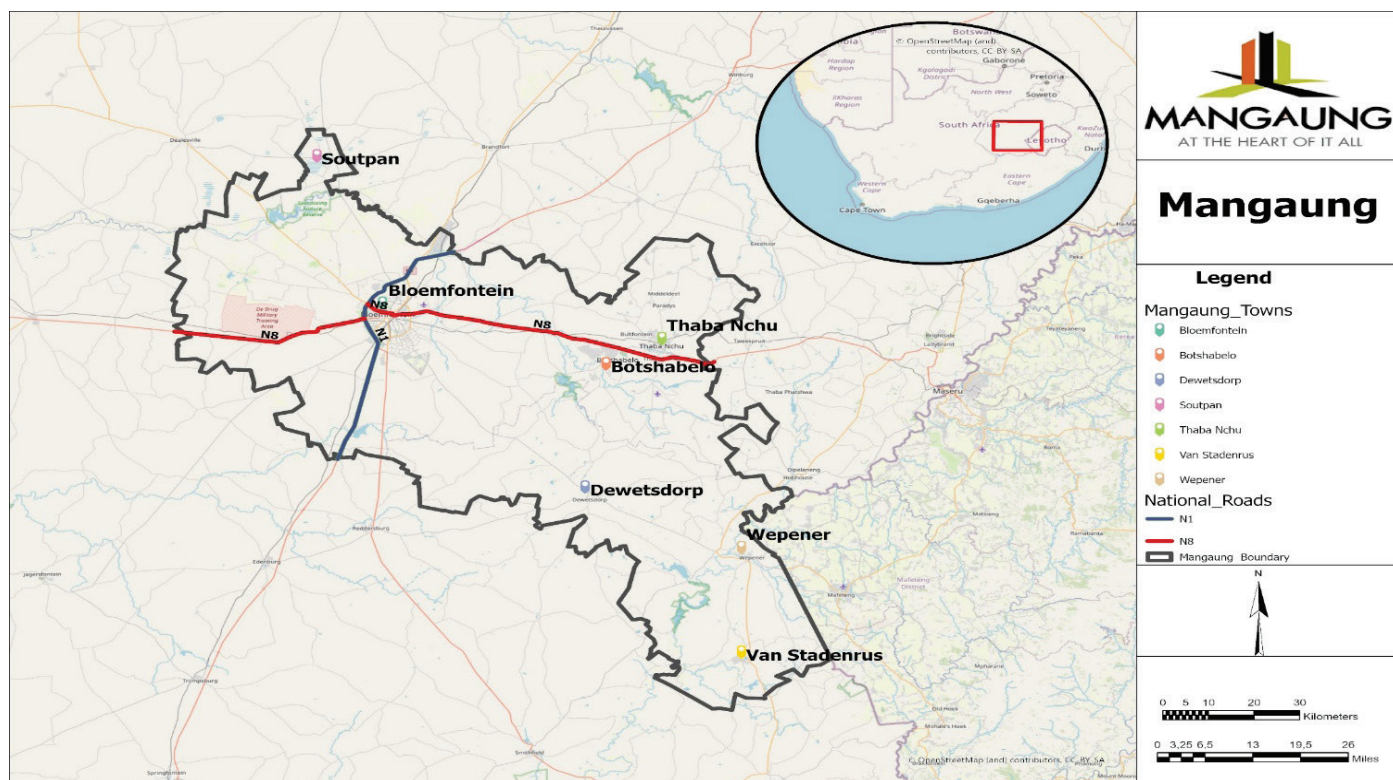


Figure 1: Mangaung Demographic Profile

1.3 Socio Economic Status

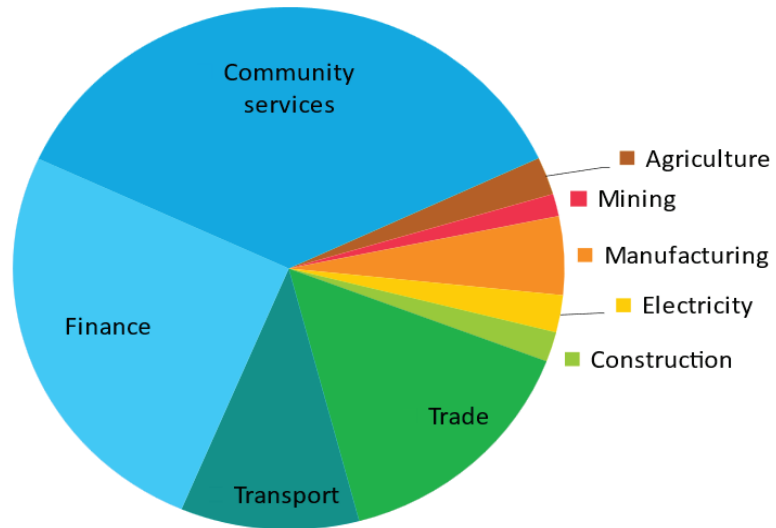
Mangaung has a diverse and resilient economy, with strong sectors such as finance, trade, manufacturing, government, education, creative arts, and mining. The municipality contributes on average close to 40% to the provincial GDP and 2% to the national GDP. Mangaung also faces high levels of poverty, unemployment, inequality, and social ills.

Table 1: Gross Value Added (GVA) by Broad Economic Sector - Mangaung Metropolitan Municipality, 2021 [R BILLIONS, CURRENT PRICES]

	Mangaung	Free State	National Total	MAN as % of province	MAN as % of national
Agriculture	2.6	18.4	152.8	14.3%	1.72%
Mining	1.6	28.3	474.9	5.5%	0.33%
Manufacturing	5.5	27.2	729.8	20.0%	0.75%
Electricity	2.6	9.1	171.7	28.5%	1.51%
Construction	2.1	4.7	141.0	44.1%	1.47%
Trade	17.0	34.9	751.3	48.7%	2.26%
Transport	11.8	21.4	397.8	55.1%	2.96%
Finance	28.7	56.3	1,320.5	51.0%	2.17%
Community services	40.6	77.1	1,432.9	52.7%	2.84%
Total Industries	112.4	277.4	5,572.6	40.5%	2.02%

Economic Profile Mangaung Metro Municipality

Gross Value Added (GVA) by broad economic sector Mangaung Metropolitan Municipality



Mangaung also faces high levels of poverty, unemployment, inequality, and social ills. The unemployment rate is 36.9% as of March 2025 which indicate a slight decrease when compared to 40.9% of March 2024.

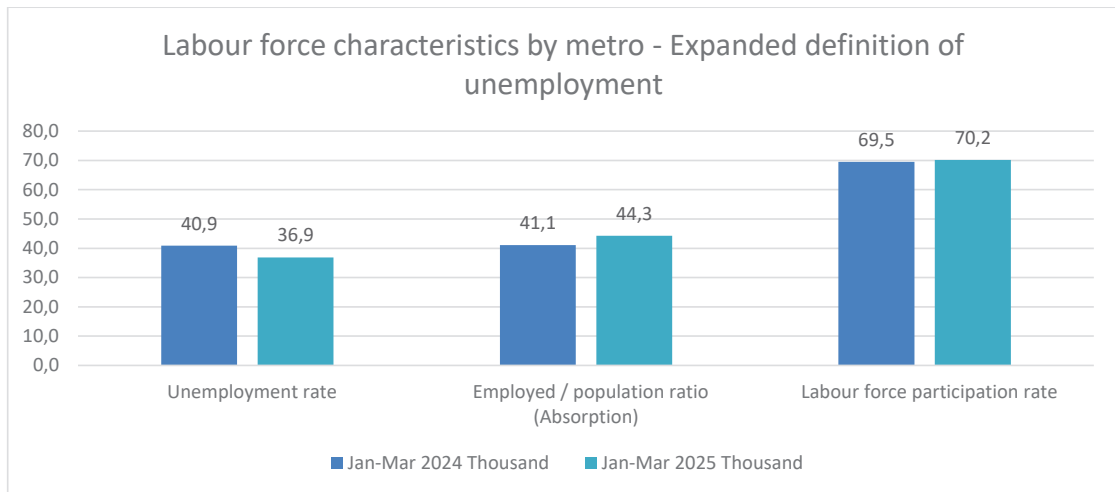


Figure 2: Quarterly Labour Force Rate

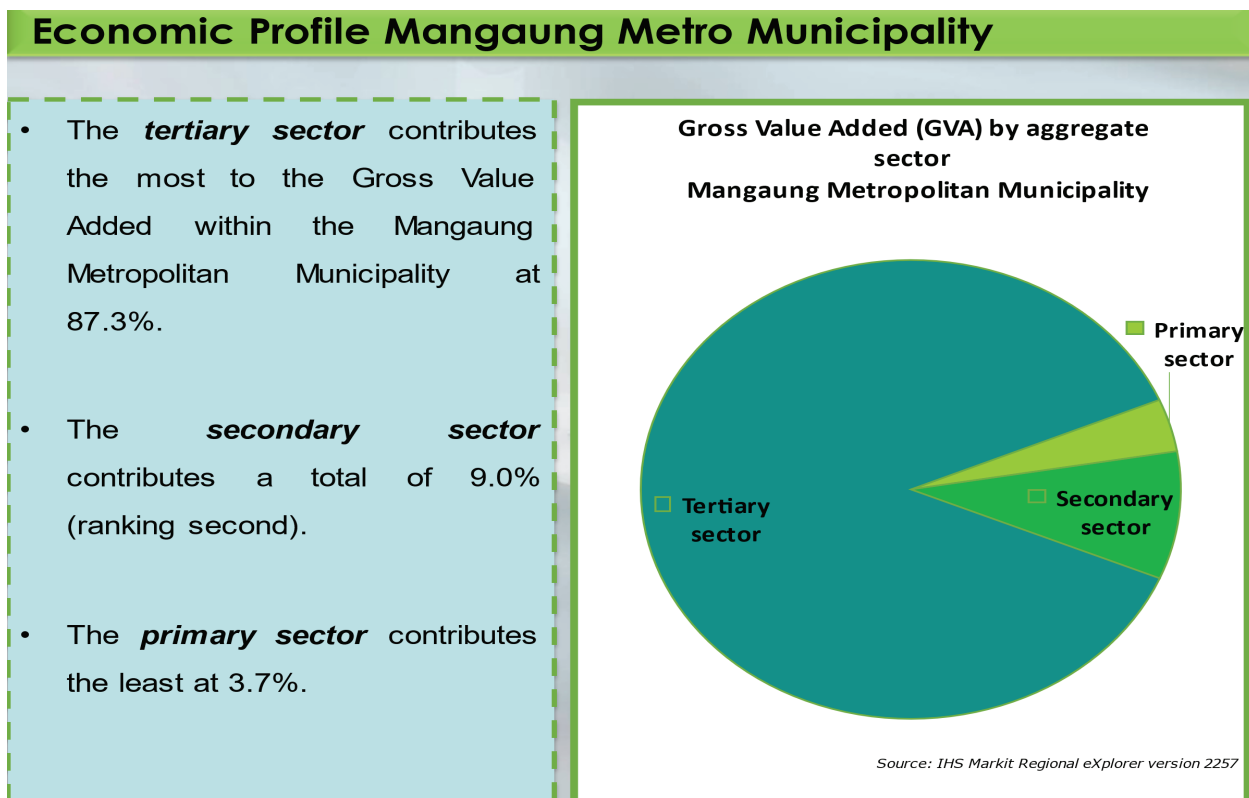
Table 2 below, indicates that 247 000 of individuals between the age of 15-64 are employed, while 145 000 are unemployed, with 166 000 are not economically active.

Table 2: Employment opportunities in Mangaung

Population 15-64	558 000
Labour Force	392 000
Employed	247 000
Unemployed	145 000
Not Economically Active	166 000

1.4 Relative importance of MMM economy

Community services, trade, and agriculture are the main contributors to the GVA. Electricity and manufacturing contribute the least. Community Services (29%) and Trade (22%) are the largest contributors to employment, followed by Finance (14%) and Households (12%). Construction (7%) and Manufacturing (6%) are the largest contributors in the Secondary Sector while Agriculture contributes about 3% of all job opportunities in the Metropolitan area. The estimated unemployment rate (2018) stands at approximately 27,1% which is about 1,8 percentage points higher than the 25,3% recorded in 2011. The Mangaung Metropolitan Municipality unemployment rate is in line with the national average but slightly less than the average for Free State Province.



1.5 Municipal functions per Departments and overall MMM service delivery overview for 2024/2025

This section of the document, provides the reader with a summary of the functions, achievements and remedial actions for challenges recorded for the 2024/2025 financial year. Detailed breakdown is provided in Chapter 3 of this Annual Report.

1.5.1 Planning

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
To plan for livable and sustainable urban and regional communities, to rectify the spatial inequalities caused by previous laws, promote social and economic inclusion and to promote optimal use of land within a political, social, cultural, environmental and economic context.	Average of 46 days (more than 500sqm) for processing of building plans	Expedite the appointment of critical positions Fast track compilation of SG Plans and Diagrams
	Township establishment completed respectively and 9 Compliance audits completed.	

1.5.2 Economic and Rural Development

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
To stimulate and facilitate economic growth and development in the City by concentrating on cultivating a positive investment climate, enhancing the City Tourism potential, promoting and mainstreaming Small Medium and Micro Enterprises (SMME) and advancing the holistic development of our rural settings.	Investment Summit achieved	Additional funds required
	Installation of 3 boreholes and fencing of municipal plots	
	Implementation of EPWP and Issuing of permits for informal trading	

1.5.3 Human Settlement

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
The strategic goal is to enhance the quality of life of households' life. In accordance with this, the Metro is concentrating its efforts on improving the level of services of households, providing security of tenure, and upgrading existing informal settlements and the delivery of Catalytic Programs for the implementation of Integrated Human Sustainable Development.	34 Services Sites Completed 2759 PTOs issued and 489 sites allocated	Expedite approval of designs and appointment of contractors. Finalise the relocation to resume with interim water provision
	232 household connected to sewer	

1.5.4 Technical Services

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
Dedicated to upgrading road / stormwater as per the City Road Asset Management System (RAMS) Provision of water / sanitation infrastructure as per the city's Water and Sanitation Services Development Plan (WSSDP)	2.31km of stormwater improved and or rehabilitated, 77.9% of unsurfaced road graded and resolved 59.59% of reported potholes.	Increase budget allocation and expediting of PSPs appointments Increase budget allocation for Sanitation maintenance
	8 out of 13 WWTW partially functional 13.3km of sewer pipeline replaced and refurbished 21.2km of pipeline replaced and Refurbished Water Systems	

1.5.5 Public Safety and Security

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
<p>Law Enforcement is responsible for the enforcement of by – laws and to provide safety support to other internal and external role players. Traffic division ensures a free flow of traffic and the enforcement of applicable legislation that governs road usage. Distater and Fire Service is responsible to ensure rapid response in the case of incident of natural cause or human causes</p>	<p>122 crime prevention activities conducted and 201 street trading operations conducted</p>	<p>Expedite the appointment of critical positions</p>
	<p>Conducted inspections / operation to curb of Un-roadworthy vehicles and driver safety project. 11709 Traffic fines issued</p>	<p>Enhance education on safety measures</p>
	<p>Disaster risk management assessments, education and awareness campaigns conducted. all identified habitable structures inspected</p>	<p>Prioritise moderate and low risk premises for inspection</p>

1.5.6 Finance

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
<p>A strategic overview of revenue collection and expenditure iin the Municipality is to ensure prudent financial management and fiscal discipline by establishing and reviewing internal controls with various oversight committees and strengthening financial management capacity. Continues Implemetation of the Financial Recovery Plan (FRP)</p>	<p>81% Collection rate 4.5% spending of OPEX on Free Basic Services</p>	<p>Implementation of debt incentive scheme to encourage customers to pay municipal services</p>
	<p>61% spending on Capital Expenditure</p>	<p>Expedite Spending</p>

1.5.7 Community Services

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
<p>To focus on service delivery issues ranging from "soft" / social matters to "hard" life and death scenarios. The diverse community needs are the heart of this departments. Such as promotion of literacy activities in libraries, support of vulnerable groups such as street children, people with disabilities, the elderly and children are priorities. Moreover, Environmetal Health is key in the department and Managing of Waste related services.</p>	<p>31 Inland water samples tested. 241 Street bins installed</p>	<p>Rehabilitate 3 air quality stations</p>
	<p>449 illegal dumpings sites cleared 85% of households receiving refuse removal. 74% of informal settlements receiving basic waste removal</p>	<p>Shortage of fuel and breakage of waste collection vehicles. Implementation of Shif System to curb Overtime</p>

1.5.8 Centlec

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
<p>The Municipal Entity is mandated to provide electricity services to all its customers. As the electricity distribution service provider of the MMM, the municipal entity's core competency is to purchase, distribute and sell electricity within its geographical footprint.</p>	<p>1521 Households Electrification completed and consistent collection rate achieved</p>	<p>Perform regular planned and preventative maintenance.</p>
	<p>40 Highmast light installed in different ward. Restoration of unplanned interruptions 76% of Valid application processed for electrifications</p>	<p>Customers not being ready with supply cables and follow ups are made with applicants</p>

1.5.9 Office of the City Manager

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
<p>The municipal manager of a Municipality is, subject to the policy directions of the municipal Council, responsible and accountable for the formation and development of an economical, effective, efficient, and accountable administration.</p>	<p>Functional audit committee and 8 meetings with resolutions held 2 reports submitted to Council 39 Internal Audit reports issued with recommendation</p>	<p>Assist the project management office to perform its functions fully.</p>
	<p>Developed 1 risk register and 4 risk management reports 6 Awereness sessions led</p>	

1.5.10 Corporate Services

Departments Focus Areas	Overall Performance overview	Challenges and Remedial Actions
<p>Focused support function and gives strategic support to core service delivery line departments. It plays a critical role in ensuring that we have the right organizational processes to enable the delivery of enhanced service delivery to the community.</p>	<p>Fire detection system installed at the building control. Security system installed in Bram Fischer</p>	<p>Filling of criticall vacancies</p>
	<p>All post for senior managemement and City Manager filled. Functional Munipal Council with Executive Mayor and Mayoral Committees</p>	<p>Improvement of the ICT infrastructure</p>



Chapter 2

GOVERNANCE

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Chapter 2 – Governance

Introduction

Municipalities in South Africa are governed by Municipal Councils. Mangaung Council is therefore the governing body of the Municipality and the custodian of its powers, duties and functions are both legislative and administrative. Essentially, the Council performs a legislative and executive role. The Constitution of the Republic of South Africa, 1996, Chapter 7, Section 160 (1) defines the role of the Council as being

- (making) decisions concerning the exercise of all the powers and the performance of all the functions of the Municipality;
- (electing) its chairperson;
- (electing) an executive committee and other committees, subject to national legislation;
- (Employing) personnel that are necessary for the effective performance of its functions.

Municipal Council comprises the governing and the decision-making body of the Municipality, whilst municipal officials focus on implementing the decisions made by the Council. Council determines the direction for the Municipality by setting the course and allocating the necessary resources. It further establishes the policies, and municipal staff ensures that those policies are implemented. Decisions made at Council or Committees levels are often the result of a lot of research, consultation and advice from staff, residents, business people, and interested parties. Often there are competing interests and financial constraints that must be considered.

Component A: Political and Administrative Governance

2.1 Political Governance

The Mangaung Metropolitan Municipality is governed by a Council led by an Executive Mayor. All major policy and administrative decisions are presented, resolved and implemented after the approval of Council. The political system in the Municipality is functioning well in that all major committees and participatory organs in the Metro are fully functional. There is a functional Audit and Performance Committee that periodically provide advice to Council. There is a Municipal Public Accounts Committee (MPAC) that continues to interrogate municipal performance and thus assist the Municipality to act in the manner that assist the provision of municipal services. The Annual Report is publicised for scrutiny and comment of the public as well.

2.1.1 Political Structure of MMM

- 1) **Executive Mayor:** Councillor Gregory Mosala Solomon Nthatisi
- 2) **Deputy Executive Mayor:** Councillor Lulama Titi-Odili
- 3) **Speaker:** Councillor Bongani Lawrence Mathae
- 4) **Council Whip:** Councillor Vumile Edwin Nikelo

Table 3: Members of the Mayoral Committee and Section 79 Committee Chairpersons

Members of the Mayoral Committee	Responsible Councillor
IDP and Performance Management	Deputy Executive Mayor Cllr L Titi-Odili
Finance	Cllr CL Kruger
Technical Services	Cllr VS Soqaga
Waste and Fleet Management	Cllr VE Jonas
Public Safety and Transport	Cllr SP Tsoleli
Community Services	Cllr A Qai
Corporate Services	Cllr MM Letawana
Planning and Human Settlements	Cllr NA Nhlapo
Rural Development	Cllr PS Twala
Economic Development	Cllr TM Mosala

Section 79 Committee Chairpersons	
Chairperson: Rules Committee	Cllr TKW Mokgothu
Chairperson: Motions and Petitions	Cllr MA Morake
Chairperson: Remunerations and Benefits Committee	Cllr MM Tladi
Chairperson: MPAC	Cllr IJ Makoloane
Chairperson: Public Places and Street Naming Committee	Cllr MJ Mogotloane

The Mangaung Council is constituted by 101 elected public representatives of which 51 are ward representatives and 50 represent their political parties on a proportional basis. The parties in Council are illustrated in the table below.

Table 4: Political Parties Represented in the Council

Political Parties in Council	Total Seats	Ward Seats	PR Seats
African National Congress	51	40	11
Democratic Alliance	26	11	15
Economic Freedom Fighters	12		12
Freedom Front Plus	5		5
Afrikan Alliance of Social Democrats	2		2
Patriotic Alliance	2		2
African Independent Congress	1		1
African Christian Democratic Party	1		1
African Transformation Movement	1		1
Total	101	51	50

Table 5: The Governance Structure of Mangaung Metropolitan Municipality

Structure	Responsible for	Oversight Over	Accountable to
Council	Approve policies and budget	Executive Mayor, Mayoral Committee and Audit and Performance Committee	Community
Executive Mayor	Policies, budget, outcomes, management and oversight over City Manager	City Manager	Council
City Manager	Outputs and implementation	The administration	Executive Mayor
CFO & Executive Management Team (EMT)	Outputs and implementation	Financial management and operational functions	City Manager

Political Decision Making

A routing system of matters reserved referred to the Council is as follows, namely:

Reports are initiated by the Heads of Departments discussed at Executive Management Team. The City Manager engages with the reports and indicates whether the reports are recommended for consideration to the Executive Mayor or by the Chairperson of the relevant Section 79 Committee.

The items would serve at the relevant Section 80 Committee, then Mayoral Committee. The items now fully completed with all the necessary comments and signatures, are then submitted for Council consideration and approval.

The main function of Committee Services Sub-Directorate is to coordinate and facilitate all the Committee meetings starting from the EMT up to the Council.

Once the Council has resolved on a report, it is then a resolution of the Council. The City Manager executes the decision/resolution taken by the Council by issuing execution letters to the relevant Departments.

2.2 Administrative Governance

The administration is led by the City Manager as the Chief Accounting Officer. The day-to-day management of the Municipality is done by staff under the direction of the City Manager and Heads of Departments. The City Manager and Heads of Departments have broad and general management responsibilities, such as ensuring that staff is kept informed on Council's direction and identifying gaps in service provision. Together with Council they must monitor progress on set goals and priorities.

Top administrative structure

The administration is made up of the following Departments headed by members of the Executive Management Team (EMT):

Table 6: Heads of Departments

Departments	Responsible Official	Period
Mr S J More (Sello Johannes)	City Manager	App. Date: 01/11/2023
Dr K T Thinda (Karneels Thabang)	Head: Community Services	App. Date: 01/12/2023
Mr I R Masobeng (Itumeleng Revelation)	Head: Technical Services	App. Date: 01/12/2023
Mr M V Duma (Mokete Victor)	Head: Corporate Services	App. Date: 01/12/2023
Ms N Chakane (Nokuthula)	Head: Planning, Economic and Rural Development, & Human Settlements	App. Date: 01/12/2023
Mr K I Kgamanyane (Ketsebae Israel)	Head: Public Safety & Security	App. Date: 01/12/2023
Mr L X Ntoyi (Luvuyo Xola)	Head: Project Management Office	App. Date: 01/06/2024
Ms Z L Thekisho (Zuziwe Lydia)	Chief Financial Officer	App. Date: 01/06/2024
Mr M Sekoboto (Malefane)	CEO: Centlec (entity)	App. Date: 01/12/2020

Component B: Intergovernmental Relations

2.3 Intergovernmental Relations in the Municipality

The foundation of a constitutional democracy in South Africa as laid and articulated in the Constitution of the Republic of South Africa, 1996 and the implications thereof, poses unique capabilities by the local sphere of government. It is expected that municipalities must take responsibility to engage various sectors and development protagonists, such as the national and provincial governments, State Owned Enterprises, business forums, to mention but a few. This means that, joint planning is important for the attainment of the shared outcome. Whilst Section 40(1) of the Constitution established three distinctive, yet interdependent and inter-related spheres of government, municipalities remain at the center of development, given the responsibilities enshrined in Sections 151-154, 156 and Schedule 5 (part B) of the Constitution.

The Municipality participates in the national and provincial spheres of governments inter-governmental Forums. Provincially, the Municipality actively participates in the Premier Co-ordinating Forum (PCF) and the Member of Executive Council and Local Government (MECLOGA) to raise issues affecting the Municipality with other municipalities, provincial government Departments, and the Free State Provincial Chapter of the South African Local Government Association (SALGA). The province's Forum of Heads of Departments (FOHOD), Municipal Manager's Forum, Provincial IDP Manager's Forum, and Provincial Performance Manager's Forum all have active involvement. The latter two are administered by the Provincial Department of Cooperative Governance.

Moreover, Nationally, the Municipality participates in the Ministers and Members of Executive Councils (MINMECs), which serve as platforms for reporting on progress toward implementing the Urban Settlement Development Grant (USDG). Additionally, the Municipality participates in the Circular 88 Metro Forum, which is comprised of representatives from the National Treasury, the SA Cities Network, Stats SA, the Department of Planning, Monitoring and Evaluation (DPME), and all metro municipalities. MMM also participates in the SA Cities Network Intergovernmental and International Group. The City has successfully established the internal procedures of intergovernmental structures as per Section 33(1) of the Intergovernmental Relations Framework Act, 2005(Act 13 of 2005). The terms of reference for the establishment of Mangaung metropolitan municipal technical Intergovernmental Relations (IGR) forum; and rules to govern procedures for the functioning of Mangaung metropolitan technical IGR forum were approved by Council as instrument to strengthen and harness joint planning.

The value of membership in these organizations is emphasized by the possibilities for the Municipality to use in establishing strategic relationships with government agencies.

Relationship with Municipal Entities

The Municipality has created Centlec as a municipal entity to offer electrical services to its citizens, as well as administer and maintain public lighting on its behalf. Centlec's decisions are made by a legally constituted Board of Directors, and the entity accounts to the Municipality via the Executive Mayor and the authorized stakeholder representative through the Business Plan and Sale of Business Agreement.

Component C: Overview of Public Accountability and Participation

One of the main justifications given for participatory governance in the South African setting, especially at the level of local government, is that it broadens and deepens democracy by increasing the number of people involved in making or influencing local government decisions. The Municipality is no exception to this statement in this situation.

The Municipality had to react to the requirement of being “developmental institutions” in nature in order to eliminate poverty and improve the lives of its people. The developmental mandate, as stated in developmental policies and laws, notably the Municipal Systems Act, emphasizes community involvement as an essential mechanism for growth. Furthermore, this Act acknowledges Ward Councillors and other democratized organizations as essential advisory mechanisms for ensuring public involvement in municipal governance.

The process of creating a legally valid IDP is seen to be supported by the community. This is explicitly stated in section 16(1)(a)(i) of the Municipal Systems Act, which states that “a Municipality must develop a culture of municipal governance...” and further that “a Municipality must encourage, and create conditions for, the local community to participate in the affairs of the Municipality, including in the preparation, implementation, and review of its Integrated Development Plan in terms of legislative requirement.

This Act also states that a Municipality must establish appropriate mechanisms, processes, and procedures to allow the local community to participate in municipal affairs, as well as initiate consultative sessions with locally recognized community organizations and, where appropriate, traditional authorities.

According to Chapter 5 of the Municipal System Act, 2000 (Act 32 of 2000), a municipal Council is expected to annually review its IDP in accordance with an assessment of its performance measures, and the Municipality may also amend its IDP in accordance with a prescribed process if changing circumstances so demand. Annual reports detail the Municipality's performance against the performance measures specified in the SDBIP.

The SDBIP mainly covers the Municipality's yearly delivery objective as outlined in the Integrated Development Plan and the budget. The context of the delivery during the time under evaluation was extremely participative, in keeping with the strongly established ethos of public engagement. Participation in the IDP as well as the budget included engagement in development planning and budget allocation, as well as the execution of programs and initiatives that need community involvement in order to be sustainable and have a long-term effect.

2.4 Public Meetings

The Municipality consulted with the public throughout the financial year on IDP and tariffs including annual reports and by-laws. The Municipality has 51 wards, because of the vast nature of our Municipality, we cluster wards to be able to reach a wider audience as possible and consult with our public from November to April during the course of the financial year on the revised tariffs and IDP priorities. The Municipality publishes its public meetings in local newspapers and radio stations and also on municipal website.

The following is a list of documents published and made available to the public yearly:

- The annual and adjustments budgets and all budget-related documents;
- All budget related policies
- The Annual Report
- All Performance Agreements required in terms of Section 56 of the Municipal Systems Act
- All municipal tenders
- All weekly quotations of the Municipality
- All quarterly reports tabled in the Council in terms of Section 52 (d)
- All vacancies of the Municipality
- Information about tourism and places of interest in Mangaung
- Contact information for all Directorates and Sub-Directorates
- The Integrated Development Plan (IDP)
- The Service Delivery and Budget Implementation Plan (SDBIP)
- Spatial Development Framework (SDF).

Ward Committees

Ward committees in the Municipality serves as an interface between the community and the Municipality. Because of its proximity to the residents of a particular Ward, the committee members listen to community concerns and they pick up on day-to-day service provision issues in their Wards and through the Ward Councillors, they advance those issues to the attention of the Council. Ward committees are a single most important institutional arrangement to ensure efficient and result based participatory system.

Table 7: Public Meetings

Nature and purpose of the meeting	Dates of event	No of participating Councillors	No of participating Municipal Councillors	Number of community members attending	Dates and manner of feedback given to community
IDP and budget consultative meetings SDF and the Sectoral Plans are discussed	Nov to April	All ward Councillors of the clusters involved	All ward Councillors of the clusters involved, the deputy mayor and the Speaker	Numbers vary from cluster to cluster	Feedback is provided during the first round of the consultations and after the first quarter in November
Annual report	Feb to March	All Councillors	All Councillors	Numbers vary from cluster to cluster	Feedback is provided during the second round of the consultations in February and March
By laws	As and when they are up for public consumption	Councillors affected	Councillors affected and the relevant MMC	Numbers vary from cluster to cluster	Feedback provided after consultations have been finalised and Council has resolved
Tariffs	Nov to April	All ward Councillors of the clusters involved	Councillors affected and the relevant MMC	Numbers vary from cluster to cluster	Feedback is provided during the second round of the consultations in April and mid-May before final approval

Public engagements in the Municipality provide opportunities for the public to contribute, interrogate and engage municipal priorities. Furthermore, the Municipality organise feedback sessions to report back on what communities have been reflecting and how the Municipality is responding. The IDP of the Municipality also has a section that addresses issues raised by communities and municipal responses.

2.5 IDP Participation and Alignment

Table 8: IDP and Alignment

IDP Participation and alignment criteria	Yes/no
Does the Municipality have impact, outcome, input, output indicators	Yes
Does the IDP have priorities, objectives, KPI's development strategies?	Yes
Does the IDP have multiyear targets?	Yes
Are the above aligned and can they calculate to a score	Yes
Does the budget align directly to the KPI in the strategic plan?	Yes
Does the IDP KPI align to section 56 managers?	Yes
Do the IDP KPI lead to functional area KPI as per SDBIP	Yes
Were the indicators communicated to the public	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

Component D: Corporative Governance

Overview of Corporate Governance

The primary objectives underpinning the Municipality's governance, provision of municipal service and institutional transformation, which is also consistent with the spirit and purport of relevant statutes saw the Municipality prioritising systematic actions, programmes and/or interventions appropriately to capacitate and strengthen both the Audit and Risk Managements Committees. This was to enable the committees to execute their

oversight role. To date, more than satisfactory progress is already being witnessed in this regard.

There is one approved house of Traditional Leadership in the Municipality's jurisdiction with whom we enjoy not only cordial, but also working relationship. The Municipality will not relent its efforts to continue building and further strengthening this sound working relationship.

As would be appreciated from our preceding reports, the obtaining Governance Model continues to respond fairly well to the Municipality's quest to deliver quality services in a cost-effective manner, yet the need for a significant departure from the current system of a combined Model of Governance to a fundamentally new and different system of separation of powers between Governance (Legislature) and the Executive was previously expressed and to which the Municipality responded well.

2.6. Risk Management

In terms of MFMA Act 56 of 2003, section 62(1)(c)(i) "the Accounting Officer of a Municipality is responsible for managing the financial administration of the Municipality and must for this purpose take all reasonable steps to ensure the Municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control".

The City Manager appointed a Risk Management Committee to provide an appropriate forum and governance structure to assist the City Manager and management in discharging their risk management responsibilities. It also intended to provide an enabling environment for the City to comply with laws, regulations and recognised governance framework.

Table 9: The Risk Management Committees:

Member	Status	Attendance			
		16/08/2024	15/11/2024	21/02/2025	06/06/2025
Mr. JC Weapond	Chairperson	Attended	Attended	Attended	Attended
Ms. FJ Mudau	Member	Attended	Attended	Attended	Attended
Mr. T Marumo	Member	Attended	Attended	Attended	Attended
Ms. T Pino	Member	Vacant	Vacant	Apology	Attended

Tables 10: Top 5 strategic and operational risks the Municipality grappled with during the financial year:

STRATEGIC	OPERATIONAL
1. Financial sustainability due to rising costs of services against declining affordability of citizens	1. Inadequate resources
2. Informal settlement sprawl	2. Non-compliance with laws and regulations
3. Road infrastructure collapse	3. Theft of assets
4. Illegal building activities and illegal land uses	4. Loss/theft of information
5. High unemployment rate	5. Abuse/falsified overtime

Based on the FMCMM risk module, overall, the municipality's risk management maturity is at a control level (2.94). This means that the municipality has some if not most elements of a risk culture and system of risk management in place. That is also the level that satisfies the minimum compliance requirements of the MFMA. The risk management culture improved significantly in the financial year with requirements of the Directorates to submit portfolios of evidence on implemented mitigation strategies, presentation by HODs/Risk Owners on the quarterly progress made in implementation of the mitigation strategies/plans and 90% implementation of the Risk Committee resolutions.

2.7 Anti-Fraud and Corruption

The Municipality has a Fraud Prevention Plan that outlines the Municipality's approach to curtailing the likelihood of fraud occurring, its prevention as well as the early detection thereof. Anti-Fraud and Corruption Unit conduct investigations and depending on the outcome of the investigations, other cases are further referred to South African Police Services and HAWKS.

The Municipality takes a zero-tolerance stance towards fraud and corruption, and pursues a corruption-free administration. The Municipality encourages those who suspects acts of fraud or corruption to report such allegations through the National Anti-Corruption hotline (0800 701 701) and reporting mechanisms available through the municipal website.

Effective investigation and monitoring the implementation of recommendations emanating from completed investigations within the Municipality is usually hampered by inadequate staffing capacity within the Anti-Fraud and Corruption Unit. The Municipality continues to expedite its staffing capacity to ensure that speedy investigation processes are implemented as part of fraud prevention mechanisms.

2.8 Internal Audit

Audit and Performance Committee

The Municipality has a functional Audit and Performance Committee that operates in terms of the Council approved Terms of Reference (ToR). For the period under review (2024/25), the Committee met eight (8) times to perform its functions as outlined under MFMA section 166(2) as follows;

- (a) advise the municipal Council, the political office-bearers, the accounting officer and the management staff 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 this Act, the annual Division of Revenue Act and any other applicable legislation;
 - viii) performance evaluation; and
 - ix) any other issues referred to it by the Municipality;
- (b) review the annual financial statements to provide the Council of the Municipality, with an authoritative and credible view of the financial position of the Municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- (c) respond to the Council on any issues raised by the Auditor-General in the Audit Report.

Internal Audit

The Municipality has a functional Internal Audit Unit. This Unit is working in collaboration with both the Risk and Anti-Fraud Units to strengthen the Municipality's efforts to manage risks and eradicate fraud and corruption. For the period under review (2024/25), the Unit completed all audit assignments planned for the year and the following internal audit reports were issued during the period under review;

Table 11: Internal Audit Reports

Report number	Description of report
Internal Audit report number 01/2024-25	Review of the 2023/24 Annual Financial Statements
Internal Audit report number 02/2024-25	Review of the 2023/24 Annual Report
Internal Audit report number 03/2024-25	Report on IDP Budget Process Plan
Internal Audit report number 04/2024-25	Report on Landfill Sites Management
Internal Audit report number 05/2024-25	Audit of Performance Information (2024/2025 SDBIP / IDP and Performance Agreements for Municipal Manager and Section 56 Employees).
Internal Audit report number 06/2024-25	Direct assistance to the Auditor-General: employee physical verification
Internal Audit report number 07/2024-25	Report to HOD on absconded employee
Internal Audit report number 08/2024-25	Sports Clubs and stadia
Internal Audit report number 09/2024-25	Audit of waste management services
Internal Audit report number 10/2024-25	Compliance Checklist -Quarter 4 of 2023/24 and Quarter 1 of 2024/25
Internal Audit report number 11/2024-25	Fleet Management Audit
Internal Audit report number 12/2024-25	Quarterly Reviews on Risk Management Processes (Quarters 1 and 2: 2024/25)
Internal Audit report number 13/2024-25	Audit Of Performance Information – 1st Quarter SDBIP Progress Report 2024/2025
Internal Audit report number 14/2024-25	Implementation and monitoring of council resolutions
Internal Audit report number 15/2024-25	Loss Control audit
Internal Audit report number 16/2024-25	Audit of Municipal Planning Tribunal

Report number	Description of report
Internal Audit report number 17/2024-25	Audit report of EPWP and PES
Internal Audit report number 18/2024-25	Audit of Performance Information – 2nd Quarter SDBIP Progress Report 2024/2025
Internal Audit report number 19/2024-25	Internal audit review on FRESHCO
Internal Audit report number 20/2024-25	Internal audit review on the AAP
Internal Audit report number 21/2024-25	Cash Management
Internal Audit report number 22/2024-25	Audit review of controls around unauthorised, irregular, fruitless and wasteful expenditure
Internal Audit report number 23/2024-25	Audit of Grants
Internal Audit report number 24/2024-25	IPTN Huaweng bus services audit
Internal Audit report number 25/2024-25	Debt Management Audit
Internal Audit report number 26/2024-25	Rental and social housing
Internal Audit report number 27/2024-25	Audit of Performance Information (Q3 SDBIP 2024/25)
Internal Audit report number 28/2024-25	Quarterly reviews on risk management processes (Quarters 3 and 4: 2024/25)
Internal Audit report number 29/2024-25	Facilities Management
Internal Audit report number 30/2024-25	Building Control
Internal Audit report number 31/2024-25	Compliance Checklist -Quarters 2 and 3 of 2024/25
Internal Audit report number 32/2023-23	Expenditure Management Creditors Payments
Internal Audit report number 33/2024-25	Asset Management Audit
Internal Audit report number 34/2024-25	Outdoor Advertising
Internal Audit report number 35/2024-25	ICT Control Review
Internal Audit report number 36/2024-25	IDP Budget Process Plan of 2024/2025
Internal Audit report number 37/2024-25	Consulting engagement report on the processing of traffic fines
Internal Audit report number 38/2024-25	Sports Facilities and Stadia - 2024-25
Internal Audit report number 39/2024-25	Audit of waste management services

2.9 Supply Chain Management

The municipality has established Supply Chain Management unit, in line with section 111 of the Municipal Financial Management Act No 56 of 2003 and its Supply Chain Policy.

The unit according to the staff establishment has 80 positions, were 36 (45%) are filled and 44 (55%) are vacant. The unit is functional and able to provide services as required by National Treasury. However, filling of vacancies remain critical aspect in ensuring that quality services is provided to the communities.

The municipal departments submit demand plans which are consolidated into an Annual Procurement Plan and approved by the Accounting Officer.

2.10 Public satisfaction on municipal services

The municipality through its IDP public participation, utilises this process to meet this important section. Moreover, prioritisation of resources is done with the departments to be able to reduce some of the unsatisfactory performance within the communities. Figure 3, displays highlights of issues raised and figure 4 indicate the resources that are allocated to each department in order to realise the objectives for public satisfaction on municipal services. The clustering of issues are as follows:

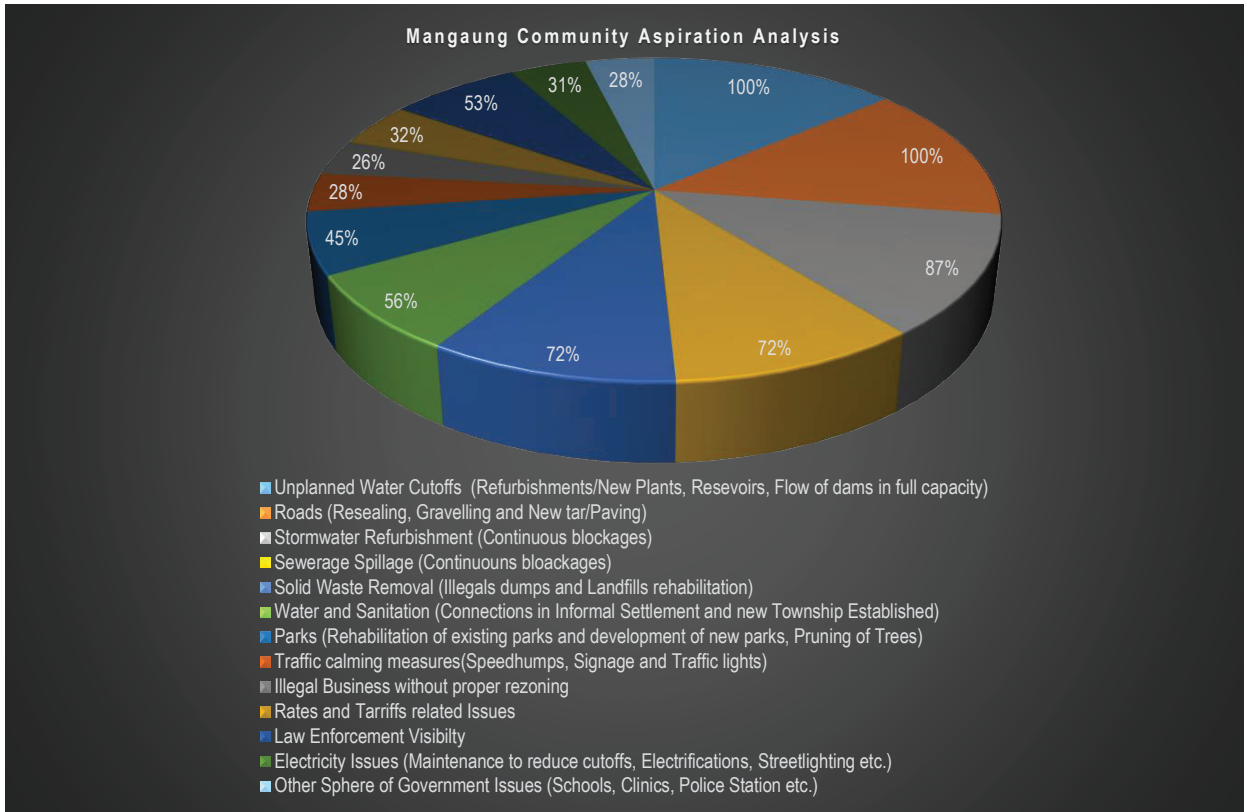


Figure 3: Community Aspirations per Region and Wards

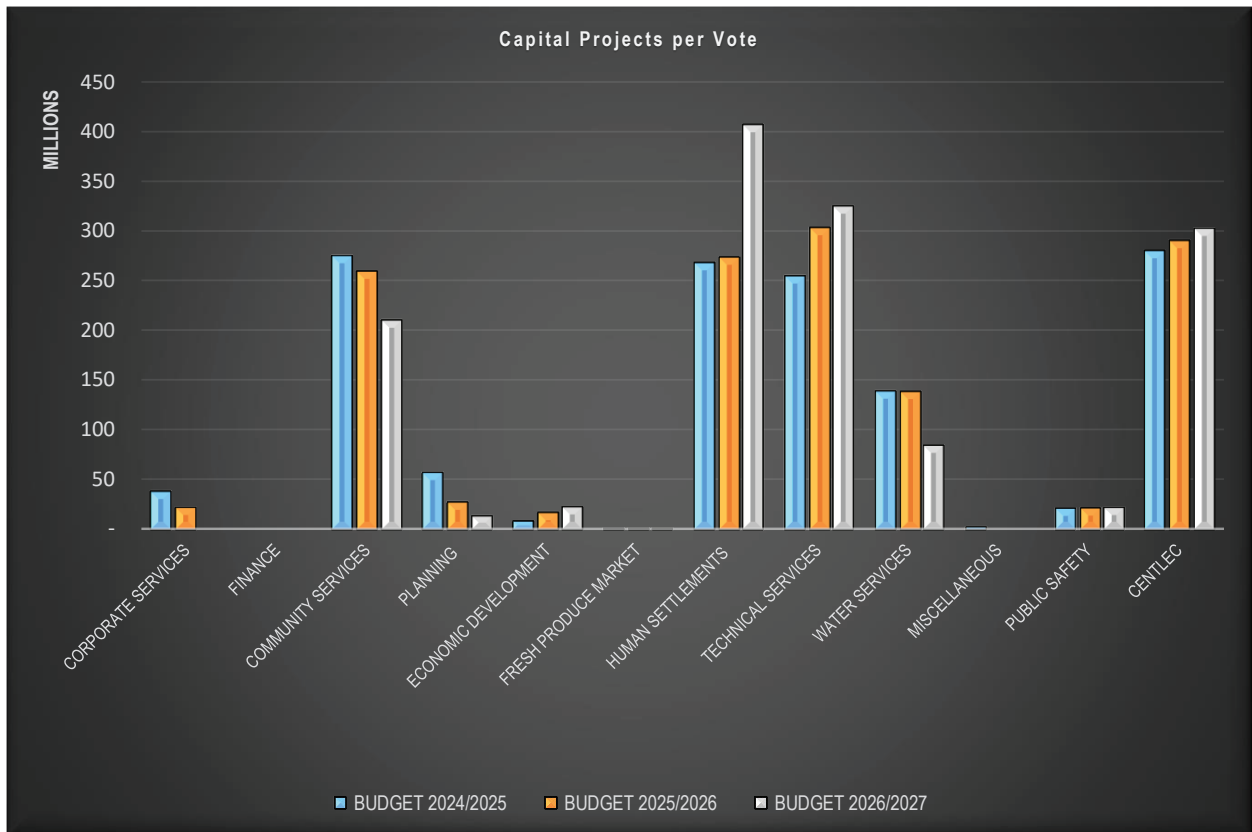


Figure 4: Capital Budget per Vote

2.11 Municipal Website: Content and Currency of Material

Please see the Live Website with all the Details & History available at www.mangaung.co.za

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents (2024/2025)	YES	<ul style="list-style-type: none"> 8 January 2025 - Public Participation: Review of IDP / MTREF / Budget Policies / SDF for 2025/2026 https://www.mangaung.co.za/2025/01/08/public-participation-review-of-idp-mtref-budget-policies-sdf-for-2025-2026/ 31 January 2025 - Annual Reports & Financial Statements for 2023/2024 https://www.mangaung.co.za/2025/01/31/annual-reports-financial-statements-for-2023-2024/ 6 February 2025 - Mid-Term Budget Performance Assessment Report (ended 31 December 2024) – MFMA Sec 72 https://www.mangaung.co.za/2025/02/06/mid-term-budget-performance-assessment-report-ended-31-december-2024-mfma-sec-72/ 14 March 2025 - Adjustment Budget 2024/2025 https://www.mangaung.co.za/2025/03/14/adjustment-budget-2024-2025/ 31 March 2025 - MTREF Budget 2025/26 – 2027/28 & IDP 2025/2026 Sectoral Plans https://www.mangaung.co.za/2025/03/31/mtref-budget-2025-26-2027-28-idp-2025-2026-sectoral-plans/ 9 April 2025 - Public Notice: Review of Draft IDP 2025/2026, Sectoral Plans, SDF, MTREF Budget 2025/2026 – 2027/2028 and Budget related Policies https://www.mangaung.co.za/2025/04/09/public-notice-review-of-draft-idp-2025-2026-sectoral-plans-sdf-mtref-budget-2025-2026-2027-2028-and-budget-related-policies/ 28 May 2025 - MTREF Budget 2025/26 – 2027/28 & IDP 2025/2026 and Sectoral Plans https://www.mangaung.co.za/2025/05/28/mtref-budget-2025-26-2027-28-idp-2024-2025-sectoral-plans/
All current budget-related policies		<ul style="list-style-type: none"> 31 July 2024 – Draft IDP and Budget Process Plan 2025/2026 https://www.mangaung.co.za/2024/07/31/draft-idp-and-budget-process-plan-2025-2026/ 31 July 2024 - Strategic Scorecard: SDBIP 2024/2025 https://www.mangaung.co.za/2024/07/31/strategic-scorecard-sdbip-2024-2025/ 7 August 2024 - Calling for Inspection of the 9th Supplementary Valuation Roll and Lodging of Objections https://www.mangaung.co.za/2024/08/07/calling-for-inspection-of-the-9th-supplementary-valuation-roll-and-lodging-of-objections/ 13 August 2024 - SDBIP Report: 4th Quarter Ending 30 June 2024 https://www.mangaung.co.za/2024/08/13/sdbip-report-4th-quarter-ending-30-june-2024/

	<p style="text-align: center;">YES</p>	<ul style="list-style-type: none"> • 15 August 2024 - Report on the Implementation of Supply Chain Management Policy for the Quarter Ending June 2024 https://www.mangaung.co.za/2024/08/15/report-on-the-implementation-of-supply-chain-management-policy-for-the-quarter-ending-june-2024/ • 15 August 2024 - Annual Report on the Implementation of Supply Chain Management Policy for 2023/2024 Financial Year https://www.mangaung.co.za/2024/08/15/annual-report-on-the-implementation-of-supply-chain-management-policy-for-2023-2024-financial-year/ • 4 September 2024 - IDP and Budget Process Plan 2025/2026 https://www.mangaung.co.za/2024/09/04/idp-and-budget-process-plan-2025-2026/ • 14 October 2024 - Calling for Inspection of the 10th Supplementary Valuation Roll and Lodging of Objections https://www.mangaung.co.za/2024/10/14/calling-for-inspection-of-the-10th-supplementary-valuation-roll-and-lodging-of-objections/ • 22 October 2024 - MPAC Oversight Report 2021/2022 https://www.mangaung.co.za/2024/10/22/mpac-oversight-report-2021-2022/ • 31 October 2024 - Report on the Implementation of Supply Chain Management Policy for the Quarter ending September 2024 https://www.mangaung.co.za/2024/10/31/report-on-the-implementation-of-supply-chain-management-policy-for-the-quarter-ending-september-2024/ • 4 November 2024 - SDBIP Report: 1st Quarter Ending 30 September 2024 https://www.mangaung.co.za/2024/11/04/sdbip-report-1st-quarter-ending-30-september-2024/ • 27 January 2025 - Calling for Inspection of the 11th Supplementary Valuation Roll and Lodging of Objections https://www.mangaung.co.za/2025/01/27/calling-for-inspection-of-the-11th-supplementary-valuation-roll-and-lodging-of-objections/ • 3 February 2025 - SDBIP Mid-Year Report (01 July – 31 December 2024) https://www.mangaung.co.za/2025/02/03/sdbip-mid-year-report-01-july-31-december-2024/ • 3 February 2025 - SDBIP Report: 2nd Quarter Ending 31 December 2024 https://www.mangaung.co.za/2025/02/03/sdbip-report-2nd-quarter-ending-31-december-2024/ • 4 February 2025 - Minutes of Council Meetings https://www.mangaung.co.za/2025/02/04/minutes-of-council-meetings/ • 6 February 2025 - Report on Supply Chain Management for the Quarter ending December 2024 https://www.mangaung.co.za/2025/02/06/report-on-supply-chain-management-for-the-quarter-ending-december-2024/ • 17 March 2025 - MPAC Oversight Report 2022/2023 https://www.mangaung.co.za/2025/03/17/mpac-oversight-report-2022-2023/ • 31 March 2025 - PUBLIC NOTICE: General Valuation Roll – MFMA Section 33 https://www.mangaung.co.za/2025/03/31/public-notice-general-valuation-roll-mfma-section-33/ • 4 April 2025 - SDBIP 2024/2025: Revised Strategic Scorecard https://www.mangaung.co.za/2025/04/04/sdbip-2024-2025-revised-strategic-scorecard/
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		<ul style="list-style-type: none"> 5 May 2025 - Report on Supply Chain Management for the Quarter ending March 2025 https://www.mangaung.co.za/2025/05/05/report-on-supply-chain-management-for-the-quarter-ending-march-2025/ 28 May 2025 - SDBIP 2024/2025: Strategic Scorecard (2nd Revision) https://www.mangaung.co.za/2025/05/28/sdbip-2024-2025-strategic-scorecard-2nd-revision/ 1 July 2025 - SDBIP 2025/2026: Strategic Scorecard (Final Approved) https://www.mangaung.co.za/2025/07/01/sdbip-2025-2026-strategic-scorecard-final-approved/
The previous annual report (2022/2023)	YES	<ul style="list-style-type: none"> 29 January 2024 - Annual Reports & Financial Statements for 2022/2023 https://www.mangaung.co.za/2024/01/29/annual-reports-financial-statements-for-2022-2023/
The annual report (Year 2023/2024) published	YES	<ul style="list-style-type: none"> 31 January 2025 - Annual Reports & Financial Statements for 2023/2024 https://www.mangaung.co.za/2025/01/31/annual-reports-financial-statements-for-2023-2024/
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2024/2025) and resulting scorecards	YES	<ul style="list-style-type: none"> 12 September 2024 - Performance Agreements: 2024/2025 https://www.mangaung.co.za/2024/09/12/performance-agreements-2024-2025/
All service delivery agreements (Year 2024/2025)	NO	
All long-term borrowing contracts (Year 2024/2025)	NO	
All supply chain management contracts above a prescribed value (give value) for Year 2024/2025	YES	<p>Awarded Formal BIDS / Tenders / Quotations (above R 750 000) http://www.mangaung.co.za/category/awarded-bids-tenders-quotations/</p> <ul style="list-style-type: none"> 31 July 2024 - (above R 750 000) https://www.mangaung.co.za/2024/07/31/awarded-formal-bids-tenders-quotations-76/ 15 October 2024 - (above R 750 000) https://www.mangaung.co.za/2024/10/15/awarded-formal-bids-tenders-quotations-77/ 20 January 2025 - (above R 200 000) https://www.mangaung.co.za/2025/01/20/awarded-formal-bids-tenders-quotations-78/ 27 March 2025 - (above R 750 000) https://www.mangaung.co.za/2025/03/27/awarded-formal-bids-tenders-quotations-79/ 5 June 2025 - (above R 750 000) https://www.mangaung.co.za/2025/06/05/awarded-formal-bids-tenders-quotations-80/ <p>9 July 2025 - (above R 750 000) https://www.mangaung.co.za/2025/07/09/awarded-formal-bids-tenders-quotations-81/</p>
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2024/2025	NO	
Contracts agreed in 2024/2025 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	NO	

Public-private partnership agreements referred to in section 120 made in 2024/2025	NO	
All monthly reports tabled in the Council in terms of section 71 during 2024/2025	YES	<p>All MFMA Monthly & Quarterly in Year Reports published:</p> <ul style="list-style-type: none"> • 12 July 2024 - MFMA Financial Report & Budget Statement – 30 June 2024 https://www.mangaung.co.za/2024/07/12/mfma-financial-report-budget-statement-30-june-2024/ • 15 August 2024 - MFMA Quarterly in Year Report: 4th Quarter ended 30 June 2024 https://www.mangaung.co.za/2024/08/15/mfma-quarterly-in-year-report-4th-quarter-ended-30-june-2024/ • 15 August 2024 - MFMA Financial Report & Budget Statement – 31 July 2024 https://www.mangaung.co.za/2024/08/15/mfma-financial-report-budget-statement-31-july-2024/ • 13 September 2024 - MFMA Financial Report & Budget Statement – 31 August 2024 https://www.mangaung.co.za/2024/09/13/mfma-financial-report-budget-statement-31-august-2024/ • 14 October 2024 - MFMA Financial Report & Budget Statement – 30 September 2024 https://www.mangaung.co.za/2024/10/14/mfma-financial-report-budget-statement-30-september-2024/ • 31 October 2024 - MFMA Quarterly in Year Report: 1st Quarter ended 30 September 2024 https://www.mangaung.co.za/2024/10/31/mfma-quarterly-in-year-report-1st-quarter-ended-30-september-2024/ • 14 November 2024 - MFMA Financial Report & Budget Statement – 31 October 2024 https://www.mangaung.co.za/2024/11/14/mfma-financial-report-budget-statement-31-october-2024/ • 13 December 2024 - MFMA Financial Report & Budget Statement – 30 November 2024 https://www.mangaung.co.za/2024/12/13/mfma-financial-report-budget-statement-30-november-2024/ • 15 January 2025 - MFMA Financial Report & Budget Statement – 31 December 2024 https://www.mangaung.co.za/2025/01/15/mfma-financial-report-budget-statement-31-december-2024/ • 14 February 2025 - MFMA Financial Report & Budget Statement – 31 January 2025 https://www.mangaung.co.za/2025/02/14/mfma-financial-report-budget-statement-31-january-2025/ • 5 May 2025 - MFMA Quarterly in Year Report: 3rd Quarter ended 31 March 2025 https://www.mangaung.co.za/2025/05/05/mfma-quarterly-in-year-report-3rd-quarter-ended-31-march-2025/ • 15 May 2025 - MFMA Financial Report & Budget Statement – 30 April 2025 https://www.mangaung.co.za/2025/05/15/mfma-financial-report-budget-statement-30-april-2025/

		<ul style="list-style-type: none"> 13 June 2025 - MFMA Financial Report & Budget Statement – 31 May 2025 https://www.mangaung.co.za/2025/06/13/mfma-financial-report-budget-statement-31-may-2025/ 14 July 2025 - MFMA Financial Report & Budget Statement – 30 June 2025 https://www.mangaung.co.za/2025/07/14/mfma-financial-report-budget-statement-30-june-2025/
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WEBSITE VISITOR TRAFFIC AND USAGE STATISTICS - WWW.MANGAUNG.CO.ZA

During the 2024/2025 reporting period the Mangaung Metropolitan Municipality's website recorded a significant volume of user engagement and content access. The site registered a total of 19 423 092 hits, averaging 53 953 hits per day. Each visitor generated an average of 4.847 hits, reflecting consistent user interaction with the platform.

In terms of user traffic, the website attracted 4 007 366 total visitors, averaging 11 131 visitors per day. The average time spent on the website per session was 7 minutes and 18 seconds, indicating a reasonable level of user engagement. A total of 453 768 unique IP addresses were recorded during the reporting period, highlighting a diverse and geographically dispersed user base.

With regard to resource usage, the site recorded 12 128 739 total page views, averaging 33 691 page views per day. Visitors viewed an average of 3.027 pages per session, pointing to consistent exploration beyond the landing page. The platform also facilitated 1 792 500 file downloads, with an average of 4 979 downloads per day, and 0.447 downloads per visitor.

Bandwidth consumption remained within acceptable parameters. The total data transferred over the period amounted to 5 567.513 GB (5.56 TB), translating to a daily average of 15.465 GB. On a per-hit basis, 300.567 KB of data was transferred, while each visitor consumed approximately 1.423 MB of bandwidth on average.

These statistics illustrate the website's effectiveness as a key digital service and information channel for the municipality, with stable visitor volumes, high levels of content access and reliable system performance throughout the year.

Website Statistics	2024/07/01 - 2025/06/25	2024/2025
Hits		
Total Hits		19423092
Average Hits per Day	53953.033	
Average Hits per Visitor	4.847	
Visitors		
Total Visitors		4007366
Average Visitors per Day	11131.572	
Average Time Spent (min:sec)	07:18	
Total Unique IPs	453768	
Resource Accessed		
Total Page Views		12128739
Average Page Views per Day	33690.942	
Average Page Views per Visitor	3.027	
Total File Downloads	1792500	
Average File Downloads per Day	4979.167	
Average File Downloads per Visitor	0.447	
Bandwidth		
Total Data Transferred		5567.513 GB
Average Data Transferred per Day	15.465 GB	
Average Data Transferred per Hit	300.567 KB	
Average Data Transferred per Visitor	1.423 MB	



Chapter 3

SERVICE DELIVERY PERFORMANCE

Consolidated Annual Report 2024/2025

Chapter 3 - Service Delivery Performance

3.1 Introduction

This report amongst other components is the Service Delivery Chapter, which gives detailed account in regard to the provision of service. Although the Municipality is experiencing financial challenges, there has been continuous strides in extending access to water and sanitation services, facilitated access to housing and social housing opportunities, implemented a number of projects to support Small Medium and Micro Enterprises (SMME); ensured that indigent households had access to Free Basic Water, Electricity, Sanitation and Refuse removal services and promoted development through prompt processing of development applications, provided efficient environmental health and emergency services and rehabilitated social amenities. Effective maintenance of assets was carried out that included resurfacing roads, rehabilitation of roads, storm-water canals, catch pits and pedestrian paving and provision of connecting households in informal settlement to electricity and the upgrading of electricity service infrastructure (network and streetlights).

Below sections will be segmented into 5 Key Performance Areas (KPA) that are also linked to the City's IDP Strategic Development Objectives (ISDO):

Table 12: Linkage between KPAs and MMM ISDO

Components	Key Performance Areas (KPAs)	MMM IDP Strategic Development Objectives	Responsible Departments
A	Basic Service Delivery and Infrastructure Development	Service Delivery Improvement	<ul style="list-style-type: none"> • Technical Services • Human Settlement • Community Services • Public Safety and Security • Centlec
B	Financial Viability	Financial Health Improvement	Finance Department
C	Local Economic Development	Economic Growth	Economic and Rural Development
D	Good Governance and Public participation	Organisational Strength	<ul style="list-style-type: none"> • Corporate Services • Office of the City Manager
E	Institutional Development and Organisational Transformation	Spatial Transformation	Planning Departments

Note well: All financial Information provided under this chapter are still preliminary and might change pending financial statements finalisation.

Component A: Basic Services Delivery

3.2 Roads and Stormwater

The Municipality is progressing on the delivery on some of the identified targets for the year under review. Moreover, a significant stride is being made to surface unsurfaced roads and resurfacing. However, due to financial limitations and an unstable fleet, not 100% of the targets were reached.

3.3 Water and Sanitation Provision

The Municipality is both the Water Services Authority and Water Service Provider and therefore obliged to fulfil its mandate that of providing access to safe and reliable portable water to its consumers. Moreover, the municipality must ensure that all households have access to sanitation facilities above Reconstruction and Development Programme (RDP) standard (VIP toilet and higher).

Table 13: Service Delivery Objectives on Roads/Stormwater and Water/Sanitation

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ROADS AND STORMWATER WATER AND SANITATION				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 6 – ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL. GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Roads and Stormwater						
Output Indicators						
Improved quality of municipal road network	1 stormwater network condition assessment updated	(KPI 1) Updated and approved road and stormwater management information system.	1	1	Sector Plans • RAMS Stormwater Management Information System Updated	None
	3km	(KPI 2) Kilometers of stormwater improved and or rehabilitated	1.5km	2.31km		0.81km
	55.1%	(KPI 3) TR6.11 Percentage of unsurfaced road graded	100%	77.9%		-22.1% (The planned target could not be achieved, due to inadequate resources, i.e. maintenance contract)
	0%	(KPI 4) TR6.12 Percentage of surfaced municipal road lanes which has been resurfaced and resealed	60.13%	0%		-60.13% (Delays in the appoint of Service Providers)
	1.9 km	(KPI 5) TR6.13 KMs of new municipal road network	3.34 km	0km		-3.34km (Delays in the appoint of Service Providers)
Improved quality of municipal road network						Construction stage such as roadbed, layer works, surfacing with interlock bricks is ongoing

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY	
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES	
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS	
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE	
CIRCULAR 88 REPORTING REFORMS		ROADS AND STORMWATER WATER AND SANITATION	
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 6 – ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION.	
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES			
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025
	61.64%	(KPI 6) TR 6.21 Percentage of reported pothole complaints resolved within standard municipal response time	100%
			59.59%
			40.41% (The planned target could not be achieved, due to inadequate resources, i.e. Finalization of asphalt contract)
			The contract for acquiring of asphalt is complete and work is in progress and the municipality is working towards a plan to increase its Maintenance budget.
Outcome Indicators (Not audited)			
Improved quality of municipal road network	3.28	TR6.2 Number of potholes reported per 10kms of municipal road network	48
			2.15
			Not Applicable as per C88 template
			Not Applicable as per C88 template
Water and Sanitation			
Output Indicators			
Improved access to sanitation	Updated Geographical information system (GIS)	(KPI 1) Updated Geographic information system (GIS)	Collect GIS information to update the GIS data base by 30 June 2025.
	Refurbishment of wastewater treatment works in MMM	(KPI 2) A fully operational Wastewater Treatment works plants within MMM	Refurbishment of all non-functional process units of Wastewater treatment works within MMM by 30 June 2025.
			The process of analysing gaps on the available GIS information is still under review.
			8 out of 13 WWTWs are now partially functional.
			There is still outstanding work to make all plants functional. Budget constraints.
			Continue with refurbishment of plants in the new FY as per the SDBIP 2025/2026

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ROADS AND STORMWATER WATER AND SANITATION				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 6 – ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL. GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
	Refurbishment of Sanitation Infrastructure in MMM	(KPI 3) Refurbished Sanitation Infrastructure	1 Kilometers of sewer pipeline replaced and refurbished.	13.3 km of sewer pipeline replaced and refurbished.	+12.3km	None
Improved access to water	Appointment of Professional Service Provider	(KPI 4) Number of boreholes tested for water quality and yield.	5 Boreholes tested for water quality and yield.	3 boreholes tested for water quality and yield.	-2 less Boreholes were not tested.	Additional budget requested.
	Appointment of Professional Service Provider and Contractors.	(KPI 5) Kilometers of pipeline replaced and refurbished Water Systems.	12 Kilometers of pipeline replaced and Refurbished Water Systems	21.2 Kilometers of pipeline replaced and Refurbished Water Systems	+9.2km	None
Improved quality of water and sanitation services	27%	(KPI 6) WS3.11 Percentage of callouts responded to within 48 hours (sanitation/wastewater)	48%	90.7%	+42.7%	None
	83.1%	(KPI 7) WS3.21 Percentage of callouts responded to within 48 hours (water)	88%	87.5%	-0.5%	Increase more team to attend to callouts.

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ROADS AND STORMWATER WATER AND SANITATION				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 6 – ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL. GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION.				
SERVICE DELIVERY IMPROVEMENT						
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Strategic Intent	Audited Baseline 2023/2024	(KPI 8)	50%	69,5%	+19,5%	None
Improved quality of water (incl. wastewater)	0%	WS4.11 Percentage of water treatment capacity unused				
	53.2%	(KPI 9)	20%	56.1%	+36.1%	None
		WS4.21 Percentage of industries with trade effluent inspected for compliance				
	No data	(KPI 10)	Installation of meters	0%	None	In order to calculate the Percentage, the department had to install bulk check meters and the project is ongoing as per the SDBIP 2025/2026
	22 Bulk Check Meters Installed/Refurbished	WS4.31 Percentage of wastewater treatment capacity unused				
	None	(KPI 11)	19 Bulk Check Meters Installed/ Refurbished	11 Bulk Check Meters Installed/Refurbished	8 Bulk Check Meters were not Installed/Refurbished. Awaiting the variation order to be approved.	Expedite the approval of the V.O
		(KPI 12)	82 valves refurbished, Replaced and installed	104 valves refurbished, Replaced and installed	+22 valves refurbished, Replaced and installed	None
	640 water meters replaced/installed	(KPI 13)	827 water meters replaced/installed and uploaded on the billing system	3284 water meters replaced/ installed and uploaded on the billing system.	+2457 water meters re-placed/installed and uploaded on the billing system.	None
		Total number of water meters replaced/installed and uploaded on the billing system				

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ROADS AND STORMWATER WATER AND SANITATION				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 6 – ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL.GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Improved water sustainability	3600 prepaid water meters installed/replace	(KPI 14) Total number of prepaid water meters replaced/ installed	2 232 prepaid water meters replaced/ installed	2413 prepaid water meters replaced/installed	+181 prepaid water meters replaced/installed	None
	9.8	(KPI 15) WS5.21 Infrastructure leakage index	8.7	4.8	None	None
	79%	(KPI 16) WS5.31 Percentage of total water connections metered	80%	76.3%	None	None
Outcome Indicators (Not audited)						
Improved quality of water and sanitation services	70%	WS1.1 Percentage of households with access to basic sanitation	100%	79.6% (Provided by Stats SA General Households Survey 2023 Embargoed until: 23 May 2024)	Not Applicable as per C88 template	Not Applicable as per C88 template
	80%	WS2.1 Percentage of households with access to basic water supply	100%	92% (Provided by Stats SA General Households Survey 2023 Embargoed until: 23 May 2024)	Not Applicable as per C88 template	Not Applicable as per C88 template
	814.77	WS3.1 Frequency of sewer blockages per 100 KMs of pipeline	0	854,50	Not Applicable as per C88 template	Not Applicable as per C88 template

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ROADS AND STORMWATER WATER AND SANITATION				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 6 – ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL.GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Improved quality of water and sanitation services	518.89	WS3.2 Frequency of water mains failures per 100 KMs of pipeline	0	745,48	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	WS3.3 Frequency of unplanned water service interruptions	25 interruptions in a year	0, 12	Not Applicable as per C88 template	Not Applicable as per C88 template
	100%	WS4.1 Percentage of drinking water samples complying to SANS241	80%	81,9%	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	WS4.2 Percentage of wastewater samples compliant to water use license conditions	10%	0%	Not Applicable as per C88 template	Not Applicable as per C88 template
	49.6%	WS5.1 Percentage of non-revenue water	45%	50.6%	Not Applicable as per C88 template	Not Applicable as per C88 template
	597.71	WS5.2 Total water losses	0	291,70	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	WS5.3 Total per capita consumption of water	480 l/day	104 l/day	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	WS5.4 Percentage of water reused	0%	0%	Not Applicable as per C88 template	Not Applicable as per C88 template

Table 14: Financial Performance Roads and Stormwater

Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	3 627 741	3 574 541	(12 388 021)	(15 962 562,00)
Expenditure:				
Employees	22 746 908	22 933 308	25 701 703	2 768 395
Repairs and Maintenance	159 440 557	172 727 007	154 741 856	(17 985 151)
Other	222 432 022	303 157 417	300 112 223	(3 045 194)
Total Operational Expenditure	404 619 487	498 817 732	480 555 782	(18 261 950)
Net Operational Expenditure	408 247 228	502 392 273	468 167 761	(34 224 512)

Table 15: Financial Performance Water Services

Financial Performance: Water Services				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(2 149 291 078)	(2 149 291 078)	(2 307 771 059)	(158 479 981)
Expenditure:				
Employees	30 467 813	30 587 813	34 298 980	3 711 167
Repairs and Maintenance	134 375 551	132 758 700	150 813 769	18 055 069
Other	2 247 259 800	2 048 598 961	1 338 293 850	(710 305 111)
Total Operational Expenditure	2 412 103 164	2 211 945 474	1 523 406 598	(688 538 876)
Net Operational Expenditure	262 812 086	62 654 396	(784 364 461)	(847 018 857)

Table 16: Financial Performance Sanitation Services

R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(818 819 960)	(818 512 099)	(811 952 421)	6 559 678
Expenditure:				
Employees	43 317 845	43 129 984	49 634 562	6 504 578
Repairs and Maintenance	93 689 949	111 133 124	138 422 018	27 288 894
Other	214 202 843	389 435 108	178 950 521	(210 484 587)
Total Operational Expenditure	351 210 637	543 698 216	367 007 101	(176 691 115)
Net Operational Expenditure	(467 609 323)	(274 813 883)	(444 945 320)	(170 131 437)

3.4 Human Settlement

The Department Human Settlements intended to provide sustainable human settlements with particular focus on implementation of the different programmes such as: Catalytic Projects, upgrading of informal settlements, rental/social housing development, and expanding tenure security to improve the quality of life for the Mangaung households. At the beginning of the financial year, the Metro had set programmes and projects with targets for implementation.

Table 17: Service Delivery Objectives on Human Settlement

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION PRIORITY 5: SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION 02 – INCLUSION AND ACCESS 03 – GROWTH				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		SUSTAINABLE RURAL DEVELOPMENT, INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		HOUSING / COMMUNITY FACILITIES				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 9 - GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION. GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		SERVICE DELIVERY IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievements	Variance and Reasons	Corrective Action
HUMAN SETTLEMENT						
Output Indicators						
Improved access to adequate housing	3320	(KPI 1) Number of sites allocated to Mangaung beneficiaries	1 500	489 sites allocated to Mangaung beneficiaries	1011 land development processes delays due to objections both by private land owners and government institutions.	Rapid release of sites on available approved land as per town establishment registers or list.
	947	(KPI 2) Number of permission to occupy (PTOs) issued to beneficiaries	1 500	2759 permission to occupy (PTOs) issued to beneficiaries	+1259	None

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION PRIORITY 5: SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION 02 – INCLUSION AND ACCESS 03 – GROWTH				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		SUSTAINABLE RURAL DEVELOPMENT, INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		HOUSING / COMMUNITY FACILITIES				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 9 - GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION. GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		SERVICE DELIVERY IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievements	Variance and Reasons	Corrective Action
	0	HS1.11 Number of subsidized housing units constructed using various Human Settlements Programmes ¹				
	0	(KPI 3) HS1.12 Number of serviced sites	264	34	- 226 Delays in the appointment of service providers	Panel approved by BAC, some appointments made and physical progress on site.
	0	(KPI 4) WS1.11 Number of new sewer connections meeting minimum standards	462	232	-230 new sewer connections meeting minimum standard. (Bid at BEC)	Requested the committee to expedite the conclusion of Bid
	0	(KPI 5) WS2.11 Number of new water connections meeting minimum standards	1083	0	-1083 Delays in the appointment of service providers	Contractor appointed for connection of 1799 households.
	8	(KPI 6) HS1.31 Number of informal settlements assessed (enumerated and classified) ²	8	0	-8 Land invasions that continued to increase and Funds reprioritized for title deeds registrations	The Metro experienced multiple land invasions across the regions. To be efficient and cost effective, the project is deferred to the 2025/26 financial year wherein all the informal settlements are assessed,

¹ MMM is not yet accredited to build subsidised housing

² Upgrading plans are used for assessment of informal settlements

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY	
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION PRIORITY 5: SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT	
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION 02 – INCLUSION AND ACCESS 03 – GROWTH	
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		SUSTAINABLE RURAL DEVELOPMENT, INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION IMPROVED QUALITY OF LIFE	
CIRCULAR 88 REPORTING REFORMS		HOUSING / COMMUNITY FACILITIES	
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 9 - GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION. GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY.	
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		SERVICE DELIVERY IMPROVEMENTS	
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025
Variance and Reasons	Actual Achievements	Corrective Action	
Improved access to adequate housing	1	(KPI 7) HS1.32 Number of informal settlements upgraded to Phase 2	7 of 53
			2 of 53 informal settlement upgraded to phase 2
			Due to continuing land invasions, interim services were not provided in new informal settlements.
			enumerated and classified to have a municipal wide upgrading strategy and plan which is the requirement to be included in the ISUPG Business Plan (this is avoid fragmented approach). Funds were reprioritized for title deeds registration in order to achieve the target.
			Due to continuing land invasions, interim services were not provided in new informal settlements. Metro intends to first enumerate and classify to avoid spending where residents would be relocated as planned. Klipfontein interim project could not continue as some of the sites were affected by underground water meaning they would have to be relocated from that portion of land. In resolving this, the Metro was planning Farm X2727 however, the process was stalled due to objections from the chicken farm owner to allow for planning to be finalized. Council then resolved to purchase the land which will be used together with Farm X2727 for relocation of residents in inhabitable informal settlements including those affected by erven affected by underground water

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION PRIORITY 5: SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION 02 – INCLUSION AND ACCESS 03 – GROWTH				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		SUSTAINABLE RURAL DEVELOPMENT, INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		HOUSING / COMMUNITY FACILITIES				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL-9 - GOAL-9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION. GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		SERVICE DELIVERY IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievements	Variance and Reasons	Corrective Action
Improved functionality of the residential property market	0	HS2.21 Number of residential properties developed through state-subsidized human settlements programmes entering the municipal valuation roll ³	None	None	None	None
Improved access to adequate housing		HS1.1 Percentage of households living in adequate housing	100%	86.87% (Provided by Stats SA General Households Survey 2023 Embargoed until: 23 May 2024)	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	HS1.3 Percentage of informal settlements upgraded to Phase 3	100%	18.9%	Not Applicable as per C88 template	Not Applicable as per C88 template
	-	HS2.2 Percentage of residential properties in the subsidy market ⁴	-	0	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	HS2.3 Percentage of households living in formal dwellings who rent	0	6.0% (Provided by Stats SA General Households Survey 2023 Embargoed until: 23 May 2024)	Not Applicable as per C88 template	Not Applicable as per C88 template
Outcome Indicators (Not audited)						

3 Target depends on the municipality having access to the data on housing subsidy system from sectors responsible for building subsidised housing .
4 The Municipality is not being accredited to perform the function of providing subsidised houses with its associated funding (HSDG) hence the Metro is unable to report on this indicator.

Table 18: Financial Performance: Human Settlement

Financial Performance: Housing Services				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment
				Budget
Total Operational Revenue	(34 195 862)	(46 945 862)	(48 189 325)	1 243 463
Expenditure:				-
Employees	19 610 802	20 514 802	21 459 995	(945 193)
Repairs and Maintenance	28 912 709	28 496 709	27 724 409	772 300
Other	66 933 845	101 846 427	54 673 619	47 172 808
Total Operational Expenditure	115 457 356	150 857 938	103 858 022	46 999 916
Net Operational Expenditure	81 261 494	103 912 076	55 668 697	48 243 379

3.5 Centlec⁵

Centlec is the municipality's entity, mandated with provision of electricity to the resident of Mangaung municipality. Moreover, its provide electricity to the neighboring municipalities in the free state province.

Table 19: Service Delivery Objectives on Electricity Service

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY AND BASIC SERVICE DELIVERY		
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES		
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS		
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE		
CIRCULAR 88 REPORTING REFORMS		ENERGY AND ELECTRICITY		
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL		
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENT AND SERVICE DELIVERY IMPROVEMENT		
Strategic Intent	Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement
KEY PERFORMANCE AREA: FINANCIAL VIABILITY				
Full implementation of the Council's credit control policy	107.79%	Percentage of Improved collection	95%	Collection rate for the quarter is 97,95% which is 2.95% higher than the annual target of 95% as per MFMA Circular 71 ratio calculation.
				There is a variance of 2.95% which is higher than the target of 95%. More stringent measures were followed to collect, and such measures included disconnections across the board, legal action taken against default robust consumers, conversion to bulk prepaid meters including notice letters to government.
				None
KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY				
Providing of Public Lighting	47	Number of High Mast Lights installed	40	All forty (40) high mast lights were connected and commissioned
				None

5 Information included is a preliminary performance and awaits final report post Centlec's audit.

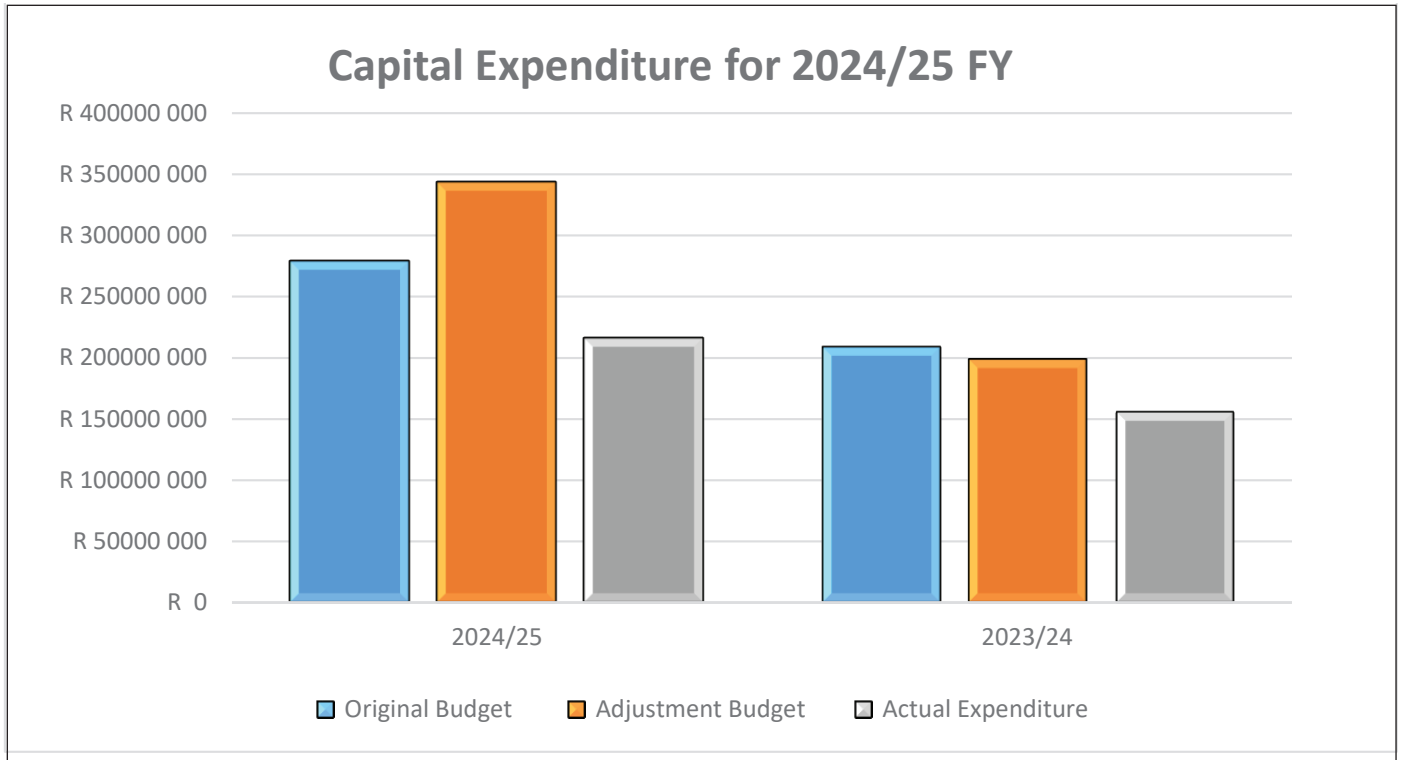
NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY AND BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ENERGY AND ELECTRICITY				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENT AND SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved access to electricity	2,000	EE1.11 Number of dwellings provided with connections to the mains electricity supply by the municipality	1500 dwellings provided with electricity connections	1521 dwellings provided with electricity connections	None	None
	54%	EE1.13 Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	76% [54/71] Valid customer applications processed.	14 % Delayed due to customer readiness with completion of	Follow up with the customer to ensure they inform Centlec once they have completed the
					installation of their own cable, this cable is called the customer cable, which is the sole duty of the customer to install.	installation of the cable, then Centlec will proceed with its processes of installing the meter and energising the connection for completion for the customer
Improved affordability of electricity	3.85%	EE2.11 Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	3% of residential electricity provision allocated as Free Basic Electricity (FBE) by 30 June 2025	4.6%	-1.6%	None, target achieved
Improved reliability of electricity service	Indicator exempted for reporting by National Treasury for 2023/24	EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored within 24 hours as per NERSA requirement	Area outage 95.72%	a) Area Outage 2.28 1. Cable theft 2. Cable Faults 3. Cable repairs	Perform regular planned and preventative maintenance.

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY AND BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ENERGY AND ELECTRICITY				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENT AND SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
	77,14%		b) After an unplanned interruption which affects a single i.e., individual customer interruption/outage, the customers supply should be restored within 24h as per NERSA requirement	Single outage 84,29%	b) Single outage 13,71% 1. Cable theft 2. Cable Faults 3. Cable repairs	Perform regular planned and preventative maintenance.
	New KPI	Percentage of planned maintenance performed	Complete 95% of planned maintenance	98%	3%.	None
Improved energy sustainability	1 MVA	EE4.12 Installed capacity of approved embedded generators on the municipal distribution network	Total capacity of one (1) MVA commissioned embedded generation plants on the Municipal network	1.13 MVA	0.13 MVA	None
Outcome Indicators (Not audited)						
Improved access to electricity	54%	EE1.1. Percentage of households with access to electricity	90%	96.11% (Provided by Stats SA General Households Survey 2023 Embargoed until: 23 May 2024)	Not Applicable as per C88 template	Not Applicable as per C88 template
Improved energy sustainability	0,01	EE3.5 Average System Interruption Duration Index (ASIDI)	0	45,80	Not Applicable as per C88 template	Not Applicable as per C88 template

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY AND BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ENERGY AND ELECTRICITY				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENT AND SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
	87,56	EE3.6 Average System Interruption Frequency Index (ASIFI)	0	10,29	Not Applicable as per C88 template	Not Applicable as per C88 template
	8%	EE4.4 Percentage total electricity losses	0%	9,9%	Not Applicable as per C88 template	Not Applicable as per C88 template
	-	EE4.5 Municipal electricity consumption per 10 000 of the population	100%	19 285 733,76	Not Applicable as per C88 template	Not Applicable as per C88 template

Table 20: Financial Performance Electricity Services

Details	Capital Expenditure	
	2024/25	2023/24
Original Budget	R 278 844 800	R 208 693 446
Adjustment Budget	R343 644 800	R199 109 800
Actual Expenditure	R 215 810 236	R 155 271 306



3.6 Community Services

The Municipality is doing very well in meeting all its set targets in relation to the promotion of literacy in communities through ensuring access to new library materials, marketing of the library services and implementing library outreach programmes to communities. Improve services to ameliorate the plight of vulnerable groups such as street children, people with disability, the elderly and children. Alleviate poverty through community projects and promote arts and cultural programmes. The Municipality has succeeded in supporting the vulnerable groups in our society. The main objective of the park's division is to provide a clean, green and healthy environment to the residents of Mangaung. It is responsible for the horticultural maintenance and development of open spaces, parks, traffic islands, buffer zones, sports fields, street trees, Municipality gardens and fire belts. The main objective of natural resource management is to conserve the natural resources of Municipality, which consist of 28, 000 hectares. Pollution control initiatives within the Municipality are implemented and managed by an integrated approach (waste management, environmental management, environmental health, parks, etc.).

Environmental health practitioners take water samples on a daily basis from the 2 main reservoirs (Brandkop and Maselspoort) and on a monthly basis at household points evenly spread amongst all suburbs, our current compliance status is well within the parameters of SANS 241. Water Quality Monitoring in accordance with Water Services Act and SANS 241 for water quality has been carried out successfully.

To ensure consumer protection in accordance with (Cosmetic and Disinfectants Act no 54 of 1972) a food safety programme has been carried out. This has been achieved by regular inspections (including special events), monitoring, rendering microbiological laboratory services for the analysis of food stuffs as per legislative (sampling,) and compliance (by fulfilling functions of the local trading authority by enforcing the Business Act No 71 of 1991) thus ensuring sustainable health and well-being of citizens.

Surveillance of premises (built environment) has been done in accordance with the National Building Regulations.

The Municipality continued to provide effective health services in relation to inspection of mortuaries to ensure compliance. Furthermore, it has continued to carry out its responsibility in ensuring safe disposal of unidentified bodies in collaboration with Forensic Pathology, in accordance with CHAPTER 10 (Unclaimed bodies or unidentified human remains) of Regulations relating to Rendering of Forensic Pathology Services in the Government Notice No.636 of July 2007

The Department has increased access to refuse removal to known informal settlements. Due to a severe shortage of human and capital resources the Department was not able to service all the formal areas consistently according to the weekly door to door refuse removal schedule.

Table 21: Service Delivery Objectives on Community Service

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION				
CIRCULAR 88 REPORTING REFORMS		ENVIRONMENT & WASTE				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY. GOAL 15 – PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Compliance with environment standards	370	(KPI 1) No of illegal dumping sites cleared	250	449 illegal dumping sites cleared	+ 199 There were more request on the clearing of illegal dumping.	None
	99	(KPI 2) Number of awareness and education sessions undertaken	95	129 awareness and education sessions undertaken.	+ 34 Due to demand by the community and schools.	None
	None (new)	(KPI 3) Number of Landfill site upgraded and refurbished	3	0	-3 Landfill sites not upgraded and refurbished due to delays in contractor appointments	Service Provider appointed Material delivered and repair and refurbishment of the 3 weighbridges in progress.
	0 Development of New Landfill Site	(KPI 4) Number of Waste Management facilities developed	Identification and purchasing of a land for the development of Waste Management Facilities	No land was identified and purchased for the development of Waste Management facilities.	A internal memo is being drafted indicating the preferred topography of the land, the distance from access roads and any other important requirement.	Submit internal memo to the Directorate Planning and Property Management indicating the preferred topography of the land and distance from access roads. Project have been handed over to Property Management to assist with Identification and procurement:

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION				
CIRCULAR 88 REPORTING REFORMS		ENVIRONMENT & WASTE				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY. GOAL 15 – PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved air quality	1 Functional Air Quality Stations	(KPI 5) ENV 1.12 Percentage of AQ monitoring stations providing adequate data over a reporting year	Functional Air Quality Stations	0%- (Air Quality Station not functional)	All Air Quality Station are not functional (unfunded)	Budget allocated for the 2025/2026 financial year for refurbishment of all 3 Air Quality Stations
Increased access to refuse removal	80%	(KPI 6) Percentage of households receiving basic refuse removal services	95%	85% households receiving basic refuse removal services	Turnaround time for repairs and maintenance of compactions vehicles by Fleet Management Suspicion of adulteration of fuel.	A request fleet management to improve turnaround time for repairs and maintenance. Decentralization of fleet maintenance budget Availability of fuel at all times
	95% 80% of 53 Informal Settlements	(KPI 7) ENV 3.11 Percentage of recognized informal settlements receiving basic waste removal services	95% of Informal Settlement receiving basic waste removal services	74% Informal Settlement receiving basic waste removal services	Turnaround time for repairs and maintenance of compactions vehicles by Fleet Management Services	A request fleet management to improve turnaround time for repairs and maintenance. Decentralization of fleet maintenance budget Availability of fuel at all times
Biodiversity is conserved and enhanced	9.6%	(KPI 8) ENV 4.11 Percentage of biodiversity priority area within the municipality	17%	13%	Negative The directorate has not managed to reach the target. preserved and enhanced.	Spatial Development Framework must be reviewed annually by the directorate Planning in order to have an accurate and most updated information on the KPI.

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION				
CIRCULAR 88 REPORTING REFORMS		ENVIRONMENT & WASTE				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY. GOAL 15 – PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Coastal and inland water resources maintained	3.2%	(KPI 9) ENV4.21 Percentage of biodiversity priority areas protected	5%	3%	Negative The directorate has not managed to reach the target. preserved and enhanced.	Spatial Development Framework must be reviewed annually by the directorate Planning in order to have an accurate and most updated information on the KPI.
New Fence at southern Landfill Site	N/A	ENV5.11 Percentage of coastline with protection measures in place ¹	None	None	None	None
	N/A	ENV5.12 Number of coastal water samples taken for monitoring purposes ²	None	None	None	None
	180	(KPI 10) ENV5.21 Number of inland water samples tested for monitoring purposes	2000	31 inland water samples tested for monitoring purposes	-1969 inland water samples tested for monitoring purposes	Inland water samples are only tested during the summer season. Q2 and Q3
	Fencing Commenced	(KPI 11) New Fence at Southern Landfill sites	100% completion of new fence at Southern Landfill sites.	100% completion of new fence at Southern Landfill sites.	None	None

1 The city is not a coastal city and will not be able to report on the indicator

2 The city is not a coastal city and will not be able to report on the indicator

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION ENVIRONMENT & WASTE				
CIRCULAR 88 REPORTING REFORMS		GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY. GOAL 15 – PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Refuse Bins for CBD's in Metro	0	(KPI 12) No. of poles and street bins installed	10 street bins installed.	241 Street bins installed	+131 bins installed	None
Development of Nallisview Cemetery	Project on 98% completion, pending approval of TIA by SANRAL TIA is approved in Principle	(KPI 13) Development of Nallisview cemetery	Complete development Nallisview cemetery	12,5% expenditure on professional fees	Project was redirected to Technical Services through the sub directorate Roads and Stormwater for implementation SADC Project Consulting was selected as preferred tenderer to conduct detailed designs to finalize traffic impact assessment.	To improve of Technical Services to request the Service provider to speed up the finalization of Traffic Impact assessment
Replace Fence – South Park Cemetery	Project completed and infrastructure handed back to MMM on 03 May Site Close- out report Contractor completion report	(KPI 14) Replacement Fence – South Park Cemetery	100% completion of new fence at South Park Cemetery.	100% Completion on priority fence and gates around the cemetery, site handed back to the Client on 28/05/2025	None	None
Garden Development – Bram Fischer building/ Hall/ Gab Dichaba building	Service Provider appointed	(KPI 15) Garden Development – Bram Fischer building/ Hall/ Gab Dichaba building	Completion of Phase 1 Garden Development – Bram Fischer building and City Hall	Completion of Phase 1 Garden Development – Bram Fischer building and City Hall	None	None

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY	
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES	
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS	
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION	
CIRCULAR 88 REPORTING REFORMS		ENVIRONMENT & WASTE	
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY. GOAL 15 – PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS.	
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES			
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025
City Entrance Beautification (Raymond Mahlaba Road & Maselspoort Drive)	None	(KPI 16) City Entrance Beautification (Raymond Mahlaba Road & Maselspoort Drive)	Completion of City Entrance Beautification Raymond Mahlaba Road and Maselspoort Drive
Development Open Space	None	(KPI 17) Development Open Space	Complete the development of a Recreational Park
Regional park Development Batho	None	(KPI 18) Regional park Development Batho	Complete the development of a Recreational Park
Outcome Indicators (Not audited)			
Strategic Intent	Actual Achievement	Variance and Reasons	Corrective Action
Development Open Space	Projects are not completed.	Negative. Projects was cancelled. Budget allocated for these projects have been used for the 2023/2024 financial year's unfinished projects- Nelson Mandela Drive City entrance beautification	Future budget provision to execute these projects have been made in the 2025/2026 financial year
Regional park Development Batho	Project is not completed	Negative. Project was cancelled. Budget allocation was redirected to finalise the 2023/2024 financial year's unfinished projects- Vista Park development	Future budget provision to execute this project has been made in the forthcoming financial years
Development Open Space	Project is not completed	Negative. Project was cancelled. Budget allocation was redirected to finalise the 2023/2024 financial year's unfinished projects- and Park development in Botshabelo next to the mall	Future budget provision to execute this project has been made in the 2025/2026 financial year

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION ENVIRONMENT & WASTE				
CIRCULAR 88 REPORTING REFORMS		GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY. GOAL 15 – PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Compliance with environment standards	0	ENV 1.3 Percentage of households experiencing a problem with noise pollution	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			
	0	ENV2.1 Tonnes of municipal solid waste sent to landfill per capita	69.69	0	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	ENV2.2 Tonnes of municipal solid waste diverted from landfill per capita	-	0	Not Applicable as per C88 template	Not Applicable as per C88 template
Increased access to and utilisation of social and community facilities	80%	ENV3.1 Percentage of households with basic refuse removal services or better	100%	85%	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	ENV3.2 Percentage of scheduled waste collection service points experiencing collection delays of more than one day	5%	-	Not Applicable as per C88 template	Not Applicable as per C88 template
Increased access to and utilisation of social and community facilities	98223	HS 3.6 Average number of library visits per library	1 Library per 100 000 population	12 016,88	Not Applicable as per C88 template	Not Applicable as per C88 template
	100%	HS3.7 Percentage of municipal cemetery plots available	100%	100%	Not Applicable as per C88 template	Not Applicable as per C88 template

Table 22: Financial Performance: Community Service

Financial Performance: Solid Waste Management Services				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(543 826 511)	(542 403 547)	(546 214 602)	(3 811 055)
Expenditure:				
Employees	174 804 385	173 835 030	203 156 249	29 321 219
Repairs and Maintenance	-	-	2 382 619	2 382 619
Other	166 264 093	212 943 743	146 065 992	(66 877 751)
Total Operational Expenditure	341 068 478	386 778 773	351 604 861	(35 173 912)
Net Operational Expenditure	(202 758 033)	(155 624 774)	(194 609 741)	(38 984 967)
Financial Performance: Libraries; Archives; Museums; Galleries; Community Facilities; Other				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(1 595 710)	(1 595 710)	(2 144 502)	548 792
Expenditure:				
Employees	28 648 894	28 670 484	27 408 846	1 261 638
Repairs and Maintenance	-	-	-	-
Other	2 160 156	1 759 092	2 239 303	(480 211)
Total Operational Expenditure	30 809 050	30 429 576	29 648 150	781 426
Net Operational Expenditure	29 213 340	28 833 866	27 503 648	1 330 218
Financial Performance: Sport and Recreation				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(5 423 166)	(5 456 342)	1 537 997	(6 994 339)
Expenditure:				
Employees	36 148 114	37 661 833	34 450 384	3 211 449
Repairs and Maintenance	374 042	374 042	373 007	1 035
Other	48 341 217	36 808 359	32 109 255	4 699 104
Total Operational Expenditure	84 863 373	74 844 234	66 932 646	7 911 588
Net Operational Expenditure	79 440 207	69 387 892	68 470 643	917 249
Financial Performance: Health Inspection and etc.				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(3 332 404)	(3 332 404)	(7 691 811)	4 359 407
Expenditure:				
Employees	16 616 134	17 342 434	15 501 089	1 841 345
Repairs and Maintenance	1 735 081	1 735 081	1 788 504	(53 423)
Other	44 538 478	41 246 516	39 963 964	1 282 552
Total Operational Expenditure	62 889 693	60 324 031	57 253 557	3 070 474
Net Operational Expenditure	59 557 289	56 991 627	49 561 745	7 429 882

3.7 Public Safety and Security

The Law-enforcement sub directorate exist in order to enhance order and enforce compliance with road traffic rules in the road network of the Municipality and to ensure that Mangaung is a safe and secure place to live in, visit and do business. To achieve this, the division aims to prevent and minimize all security risks and threats to municipal property, services and people, crime prevention, enforcement of municipal by- laws and other applicable legislation and the investigation of municipal related crime. Mangaung Metropolitan Municipality is targeting the hotspots as identified by law enforcement agencies, i.e., South African Police Services (SAPS, etc.). This will in future be utilised for traffic violations supplemented by speed law enforcement cameras. The implementation of such measures has resulted in a decline of motor accidents and behavioural change of motorists.

These units work on a four-shift system. Units comprises of the following: - Operational unit; Shifts; Reaction group; Dog unit; Investigation unit; Administration unit and Social crime prevention unit.

The Fire and Rescue Services aims to prevent fires. Focus is thus placed on fire prevention and public education / awareness with emergency response being the last line of defence. The Disaster Management sub-directorate is performing its functions and duties in accordance with the Disaster Management Act 2005 (57/2002). The Municipality established a Disaster Management Centre that is the focal point for all disaster related management activities. It effectively renders a critical service to the community relating to call receiving and dispatching emergency resources to all types of emergency and disaster incidents. The centre is making use of an Intelligence Information Management System (IIMS) to capture all information. Call Centre Operators are deployed 24/7 on a shift system. The top 3 service delivery priorities are:

- a) Enhance emergency preparedness.
- b) Ensure prompt and appropriate response to emergency incidents; and
- c) Ensure prompt and appropriate post incident recovery.

Disaster Management encompasses a continuous, integrated, multi-sectoral and multi-disciplinary process of planning and implementation measures incorporating strategies for pre disaster risk reduction as well as post disaster recovery, aimed at:

- preventing or reducing the risk of disasters.
- mitigating the severity or consequences of disaster.
- emergency preparedness.
- rapid and effective response to disasters; and
- post disaster recovery and rehabilitation.

Checklists and measurements were implemented to ensure compliance with standards set to ensure service delivery. Disaster Management staff are involved in public education programmes to enhance community resilience against disasters and negative effects thereof. The Municipality is in its strides to comply with National Legislation relating to risk reduction and response and has complied and completed the following:

- Disaster Management Plan.
- Disaster Management Framework; and
- Risk and Vulnerability Assessment.

Table 23: Service Delivery Objectives on Public Safety and Security

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION				
CIRCULAR 88 REPORTING REFORMS		FIRE AND DISASTER SERVICES				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE GOAL 16 – PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Output Indicators						
Creating safer Communities	22 Crime prevention projects	(KPI 1) Number of crime prevention activities to be conducted targeting known hotspots	36 Crime prevention activities to be conducted targeting known hotspots	122 x Crime prevention operations conducted	Positive (+86)	None
	66 Street Trading by – law enforcement	(KPI 2) Number of street trading operations to be conducted	24 Street trading operations to be conducted	201 x Street trading operations conducted	Positive (+177)	None
	6437 traffic fines issued with visible policing and operations	(KPI 3) Intensify law Enforcement due to a culture of disregard for traffic rules and regulations	4000 traffic fines to be issued	11709 x Traffic fines issued	Positive (+7709)	None
Mitigated effects of fires and disasters	10 out of 10 (93 assessment conducted)	(KPI 4) Number of disaster risk assessments within 48 hours after disaster or emergency incident occurred conducted	9 out of 10 disaster risk assessments within 48 hours after disaster or emergency incident occurred conducted	10 out of 10 (517) assessment conducted	Positive	None

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION				
CIRCULAR 88 REPORTING REFORMS		FIRE AND DISASTER SERVICES				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE GOAL 16 – PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
	60% compliance	(KPI 5) FD 1.11 Percentage compliance with the required attendance time for structural firefighting incidents	60% compliance	62.19% compliance	Positive (+2.19%)	None
Mitigated effects of fires and disasters	25 Inspections at High Risk premises	(KPI 6) Inspections at High Risk premises	50 Inspections at High Risk premises	78 x Inspections conducted	Positive(+28)	None
	149 Inspections at Moderate Risk premises	(KPI 7) Inspections at Moderate Risk premises	250 Inspections at Moderate Risk premises	328 x Inspections conducted	Positive (+78)	None
	1214 Inspections at Low Risk premises	(KPI 8) Inspections at Low Risk premises	1 800 Inspections at Low Risk premises	1981 x Inspections conducted	Positive (+ 181)	None
	10 out of 10 (131) Building Plans scrutinized for compliance with statutory fire safety measures within 5 working days	(KPI 9) Building plans submitted scrutinized for compliance with statutory fire safety measures within 5 working days	8 out of 10 Building Plans scrutinized for compliance with statutory fire safety measures within 5 working days	10 out of 10 (33 Building Plans scrutinized)	Positive	None
Improved satisfaction with public transport services	None	(KPI 10) TR4.21 Percentage of municipal bus services 'on time'	80%	90%	Positive (+10%)	None

NATIONAL KEY PERFORMANCE AREA (NKPA)		BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES PRIORITY 6: SOCIAL COHESION AND SAFE COMMUNITIES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE BUILDING SOCIAL COHESION				
CIRCULAR 88 REPORTING REFORMS		FIRE AND DISASTER SERVICES				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE GOAL 16 – PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved access to public transport (incl. NIMT)	None	(KPI 11) TR5.11 Number of scheduled public transport access points added	29	0	29	Only designs are completed for 30 access points which will be done during the 2025/2026.
	None	(KPI 12) TR5.31 Percentage of scheduled municipal bus trips that are universally accessible	100%	100%	None	None
Outcome Indicators (Not audited)						
Mitigated effects of fires and disasters	(1)	FD1.1 Number of fire related deaths per 100 000 population	0	4	Not Applicable as per C88 template	Not Applicable as per C88 template
	1	FD1.2 Number of disaster and extreme weather-related deaths per 100 000 population	0	0	Not Applicable as per C88 template	Not Applicable as per C88 template
	1	FD2.1 Disaster Management Centre Readiness	Disaster Management Centre Ready and Operable	2	Not Applicable as per C88 template	Not Applicable as per C88 template
	2	FD2.2 Fire Services function in accordance with prescribed requirements	Fire Services compliant to prescribed requirements	2	Not Applicable as per C88 template	Not Applicable as per C88 template

Table 24: Financial Performance Public Safety and Security

Operational Budget	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue,	(27 136 800)	(27 136 800)	(17 434 310)	(9 702 490)
Expenditure:				
Employees	-	-	-	-
Repairs and Maintenance	1 530 000	1 030 000	-	1 030 000
Other	247 935 366	286 258 772	277 176 598	9 082 174
Total Operational Expenditure	249 465 366	287 288 772	277 176 598	10 112 174
Net Operational Expenditure	222 328 566	260 151 972	259 742 288	409 684
Financial Performance Year: Fire Services				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(1 313 993)	(1 313 993)	(823 040)	(490 953)
Expenditure:				
Fire fighters	-	-	-	-
Repairs and Maintenance	318 000	68 000	-	68 000
Other	86 720 282	82 844 843	94 479 589	(11 634 746)
Total Operational Expenditure	87 038 282	82 912 843	94 479 589	(11 566 746)
Net Operational Expenditure	85 724 289	81 598 850	93 656 549	(12 057 699)
Financial Performance: Disaster Management, Animal Licensing and Control, Control of Public Nuisances, Etc.				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(39 463)	(39 463)	(62 507)	23 044
Expenditure:				
Employees	-	-	-	-
Repairs and Maintenance	-	-	-	-
Other	6 518 075	7 257 175	15 604 091	(8 346 916)
Total Operational Expenditure	6 518 075	7 257 175	15 604 091	(8 346 916)
Net Operational Expenditure	6 478 612	7 217 712	15 541 584	(8 323 872)

Component B: Financial Viability

3.8 Finance Department

The Office coordinates all the functions such as budgeting, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management. Moreover, since the Municipality is under intervention of Section 139 (7) of the Constitution, a lot of work is being done more on the implementation of the financial recovery plan.

Table 25: Service Delivery Objectives on Finance

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Enhanced municipal budgeting and budget implementation	Qualified	GG 3.11 Number of repeat audit findings	Unqualified with matters	158	n/a	n/a
	60%	FM1.11 Total Capital Expenditure as a percentage of Total Capital Budget	95%	61%	34%	Finance has no capital projects per se, however reports at an institutional level % achieved per directorate and overall institution. Management will monitor the implementation of projects.
	100%	FM1.12 Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	100%	104%	- 4%	The overspending is as a result of year end journals of debt impairment that has been raised, all trading services and Human Settlements. Management will monitor the overspending on the approved budget line items.
	100%	FM1.13 Total Operating Revenue as a percentage of Total Operating Revenue Budget	100%	93%	7%	The city is implementing trading services reforms which are looking at business model of trading services that will ensure profitability and sustainability.
	90%	FM1.14 Service Charges and Property Rates	95%	92%		The billing of trading services except to water is below the target, as well as some minor revenue sources of rental of fixed assets.
		Revenue as a percentage of Service Charges and Property Rates Revenue Budget				Management will monitor the generating of revenue in line with the policies for all the revenue line items
	Yes	FM1.21 Funded budget (Y/N) (Municipal)	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved financial sustainability and liability management	100%	FM2.21 Cash backed reserves reconciliation at year end	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			
	1.3	FM3.11 Cash/Cost coverage ratio	2 months	0.1 months	-	Effective and efficient implementation of credit control policy
Improved liquidity management	19%	FM3.12 Current ratio (current assets/current liabilities)	1.5.1	1.04.1	The low collection rate, overspending that takes up cash and cash equivalents are responsible for this ratio that is below the norm, this is almost 1:1 which further pressurizes the wish to exit the Section 139(7) intervention currently effective	Management will monitor the improvement of current assets.
	19%	FM3.13 Trade payables to cash ratio	1:1	24%	This ratio cannot be measured well during the year due to creditors not be accrued. However, based on audited AFS. However, the status reported indicates that the city held 24% of cash against creditors as at 30 June, which is 1:0.24	Management must control commitments by the city and ensure that contracts entered into are within the budget available for the year for the line item or project.
Improved expenditure management	0.85	FM3.14 Liquidity ratio	1	0.1	Collection rate, overspending must improve to sustain a healthy position.	Management will monitor the improvement of current assets.
	4%	FM4.11 Irregular, Fruitless and Wasteful, Unauthorized Expenditure as a percentage of Total Operating Expenditure	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
	30 days	FM4.31 Creditors payment period	30 days	33 days	3 days implementation of new processes underway to get full compliance	Improve the number of days taken by directorates to prepare invoices for payment. Some invoices stay as long as over 100 days in the departments without being submitted to Finance. Finance as well must improve the invoice payment checklist and institutionalize it to avoid back and forth with directorates in seeking clarity and obtaining additional information to substantiate amount due.
Improved asset management	21%	FM5.11 Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)	25%	31%	This ratio is determined at the preparation and approval of the budget and must be reported once, in the first quarter. Finance has no discretion or power to determine CAPEX funding mix.	The Budget Steering Committee must make calls or provide guidance on the CAPEX funding mix within MFMA Section 19 and MBRR of 2007.
	79%	FM5.12 Percentage of total capital expenditure funded from capital conditional grants	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			
	2%	FM5.21 Percentage of total capital expenditure on renewal/upgrading of existing assets	2.5%	2.3%	Variance 0.2%	Management will monitor the implementation of projects.
	80%	FM5.22 Renewal/Upgrading of Existing Assets as a percentage of Depreciation/Asset impairment	100%	45%	Variance 55%	Management will monitor the renewal and upgrading of existing assets.

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
	2.5%	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property	3%	4%	Variance -1%	Not a Finance Indicator, therefore, n/a
Improved supply chain management	100%	FM6.12 Percentage of awarded tenders [over R200k], published on the municipality's website	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			
	0%	FM6.13 Percentage of tender cancellations ³	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			
Improved revenue and debtors management	794 days	FM7.11 Debtors payment period	500 days	541 days	41 days	Procurement of debt collection system
	85%	FM7.12 Collection rate ratio	85%	81.4%	Ineffective credit control policy implementation (manual debt collection processes)	
	0	FM7.31 Net Surplus / Deficit Margin for Electricity ⁴	n/a	n/a	n/a	n/a
	0	FM7.32 Net Surplus / Deficit Margin for Water ⁵	n/a	n/a	n/a	n/a
	0	FM7.33 Net Surplus / Deficit Margin for Waste-water ⁶	n/a	n/a	n/a	n/a
	0	FM7.34 Net Surplus / Deficit Margin for Refuse ⁷	n/a	n/a	n/a	n/a

3 Zero target set as a measure not to have any cancellation of tenders.

4 The city applied for Section 124 Eskom Debt Relief, and as such, we are unable to determine surplus or deficit as it is influenced by the anticipated write off.

5 Due to business reforms of the service, no targets are set for 2024/25 due to uncertainty on how the reforms will impact the business.

6 Due to business reforms of the service, no targets are set for 2024/25 due to uncertainty on how the reforms will impact the business.

7 As part of Audit Turnaround, it was identified that the debtors Masterfile have inconsistencies, our priority is Master Data Management to ensure that all properties are billed for either availability or actual service.

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved ease of doing business within the municipal area	93%	LED2.11 Percentage of budgeted rates revenue collected	80%	109,64%	Target achieved	n/a
	10%	LED 2.12 Percentage of the municipality's operating budget spent on indigent relief for free basic services	2.5%	4.5%	Target achieved	n/a
	80%	LED3.21 Percentage of revenue clearance certificates issued within 10 working days from the time of completed application received	100%	100%	Target achieved	n/a
	150 days	LED3.31 Average number of days from the point of advertising to the letter of award per 80/20 procurement process	150 days per Bid/Tender	175 days	25 days Technical reports referred to user Departments for further assessment in line with minimum project requirements	This is an organization wide KPI for all HoDs as Finance submitted technical reports within the stipulated timelines and all the bids were concluded on time. Other directorates take up to 10 months to submit the technical report thus delaying conclusion of the bid with the 150 days. As such, Bid Specification Committee and User Department to minimize bid requirements and Departments to submit technical reports within set timeframe
	30 days	LED3.32 Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission	100%	97%	3% implementation of new processes underway to get full compliance	Alignment of payment processes and availing resources to directorates to support the process (bringing expertise into departments

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
	NEW (KPI)	LED1.11 Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	100%	71.9%	28.1% Due to implementation of cost containment measures	n/a the city contained costs on contracted services and spent 59.4% of the allocated budget.
Outcome Indicators (Not audited)						
Improved municipal administration	Qualified	GG 3.1 Audit Opinion	Unqualified	Qualified (2023/2024)	Not Applicable as per C88 template	Not Applicable as per C88 template
Improved expenditure management	None	LED2.1 Rates revenue as a percentage of the total revenue of the municipality	0	25.9%	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	LED2.2 Rateable value of commercial and industrial property per capita	0	0	Not Applicable as per C88 template	Not Applicable as per C88 template
	90%	FM1.1 Percentage of expenditure against total budget	95%	101,3%	Not Applicable as per C88 template	Not Applicable as per C88 template
		FM1.2 Municipal budget assessed as funded (Y/N) (National)	Yes	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported		
	6%	FM2.1 Percentage of total operating revenue to finance total debt (Total Debt (Borrowing) / Total operating revenue)	6%	1,6%	Not Applicable as per C88 template	Not Applicable as per C88 template

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved expenditure management	80%	FM2.2 Percentage change in cash backed reserves reconciliation	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			
	100%	FM3.1 Percentage change in cash and cash equivalent (short term)	100%	54,2%	Not Applicable as per C88 template	Not Applicable as per C88 template
	4%	FM4.1 Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported			
Improved expenditure management	28%	FM4.2 Percentage of total operating expenditure on remuneration	32%	24,1%	Not Applicable as per C88 template	Not Applicable as per C88 template
	8%	FM4.3 Percentage of total operating expenditure on contracted services	8%	5,1%	Not Applicable as per C88 template	Not Applicable as per C88 template
	21%	FM5.1 Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	25%	9,4%	Not Applicable as per C88 template	Not Applicable as per C88 template
	2%	FM5.2 Percentage change of renewal/up-grading of existing Assets	2.5%	11,8%	Not Applicable as per C88 template	Not Applicable as per C88 template
	2.5%	FM5.3 Percentage change of repairs and maintenance of existing infrastructure	3%	11,2%	Not Applicable as per C88 template	Not Applicable as per C88 template
	15%	FM7.1 Percentage change in Gross Consumer Debtors' (Current and Non-current)	-10%	-9,4%	Not Applicable as per C88 template	Not Applicable as per C88 template

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION				
CIRCULAR 88 REPORTING REFORMS		FINANCIAL MANAGEMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 11 – MAKE CITIES AND HUMAN SETTLEMENT INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENTS				
Strategic Intent	Audited Baseline 2023/2024	Output and Outcome Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
	8%	FM7.2 Percentage of Revenue Growth excluding capital grants	8%	19,5%	Not Applicable as per C88 template	Not Applicable as per C88 template
	(12.50%)	FM7.3 Percentage of net operating surplus margin	(10%)	11,3%	Not Applicable as per C88 template	Not Applicable as per C88 template

Table 26: Financial Performance Finance

Financial Performance: Financial Services					
R'000					
30/06/2025					
Financial Performance: Financial Services		Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue		(2 005 604 310)	(2 006 564 310)	(2 211 306 218)	204 741 908
Expenditure:					
Employees		95 666 584	97 768 064	85 609 623	12 158 441
Repairs and Maintenance		19 361 830	19 781 830	12 841 750	6 940 080
Other		130 525 277	559 785 560	206 999 034	352 786 526
Total Operational Expenditure		245 553 691	677 335 454	305 450 407	371 885 047
Net Operational Expenditure		(1 760 050 619)	(1 329 228 856)	(1 905 855 811)	576 626 955

Component C: Local Economic Development

3.9 Economic and Rural Development.

The Municipality will enable environment for local economic and rural development to stimulate competitive, inclusive and sustainable development. Furthermore, the Municipality's RDP will be linked to certain segments, which are arranged to meeting basic needs, infrastructure development, emerging rural industrial and credit financial sectors driven by micro to macro scale enterprise markets (economic activities) and land reform.

An important developmental principle underlying economic development is the broadening of the local economic base. This includes the introduction of new activities to Mangaung (e.g., introducing new industrial activities), exploiting latent resources identified through beneficiation, and the consequent establishment of SMMEs.

Table 27: Service Delivery Objectives on Economic and Rural Development

NATIONAL KEY PERFORMANCE AREA (NKPA)		LOCAL ECONOMIC DEVELOPMENT				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION 02 – INCLUSION AND ACCESS 03 – GROWTH				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		SUSTAINABLE RURAL DEVELOPMENT, INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		LOCAL ECONOMIC DEVELOPMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 2 – END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE GOAL 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		ECONOMIC GROWTH				
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Investment Attraction for Economic Development	2012 Investment Incentive Policy	Number of approved Mangaung Investment Incentive Policy	1x Approved Mangaung Investment Incentive Policy	Council approved the Investment Incentive Policy as part of the IDP and Budget approval on 28 May 2025	NA	
	No Marketing Plan	Number of Integrated Marketing Plan Developed and implemented	1x Integrated Marketing Plan Developed and implemented	The Integrated Marketing Plan is work in progress and will be finalized in the 2025-26 financial year	The process requires further internal consultation as sub-components of marketing cuts across municipal departments. Furthermore, there is a need for external stakeholder engagement to ensure that the policy is all of society commentary.	Process to be carried over and concluded to the 2025-26 SDBIP
	5	Number of boreholes and windmills installed	3	Drilling and testing are done, and we received the Geotech report	Delay of appointment of contractor by SCM	SCM processes will be started at the beginning of financial year
Land development support	1 Farm and 1 Plot fenced	Km of fencing installed on four municipal plots	1.75 km	585 m of fence installed in plot 107 Martindale	Community resistance in (Lakeview)	Political intervention

NATIONAL KEY PERFORMANCE AREA (NKPA)		LOCAL ECONOMIC DEVELOPMENT				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION 02 – INCLUSION AND ACCESS 03 – GROWTH				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		SUSTAINABLE RURAL DEVELOPMENT, INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		LOCAL ECONOMIC DEVELOPMENT				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 2 – END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE GOAL 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Growing inclusive local economies	1000	LED1.21 Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)	1000	1589	+589	None
Improved ease of doing business within the municipal area	30	LED3.11 Average time taken to finalise business license applications	30	30 Days	N/A	None
	30	LED 3.12 Average time taken to finalise informal trading permits	30	30 Days	N/A	None
Outcome Indicators (Not audited)						
Growing inclusive local economies	0	LED1.2 Percentage change in the number of individuals in formal employment	0	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported.		
	0	LED1.6 Percentage change in the number of formal micro and small firms	0	This indicators is exempt from external assessment for the current year and as a result, no achievements have been reported.		

Table 28: Financial Performance Economic and Rural Development

Financial Performance: Local Economic Development				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	235 378	235 378	761 874	(526 496)
Expenditure:				
Employees	17 459 582	17 325 992	19 901 788	(2 575 796)
Repairs and Maintenance	314 700	114 700	-	114 700
Other	23 355 702	20 900 925	18 904 865	1 996 060
Total Operational Expenditure	41 129 984	38 341 617	38 806 653	(465 036)
Net Operational Expenditure	41 365 362	38 576 995	39 568 527	(991 532)

Component D: Good Governance and Public Participation

3.10 Office of the City Manager

Internal Audit

The Municipality has established a functional Internal Audit Unit in terms of Section 165(1) of the Municipal Finance Management Act, 56 of 2003 (MFMA). To this end, the unit has carried out its functions as outlined in its Charter and Section 165(2) of the MFMA.

Risk Management

The Municipal Finance Management Act (MFMA), Act 56 of 2003 stipulates that the Municipality must maintain an effective, efficient, transparent and accountable system of Risk Management.

Organisational Planning and Performance Management

- To ensure that the Municipality's Integrated Development Plan (IDP) and budget agreed with all stakeholders, and in which communities have participated, which addresses the challenges of growth and redistribution of resources.
- To ensure that residents are aware of the policies, services and activities of the Municipality.

Knowledge Management

Knowledge Management is therefore a tool to enable MMM to execute its developmental duties. The Knowledge Management unit serves multiple municipal needs by:

- Creating a collaborative platform where knowledge and innovation programmes and initiatives from various departments across the Municipality can be coordinated and supported and building a model of peer-to-peer learning and sharing grounded in the City of Mangaung's experience and practice but with a broad reach across Sub-Saharan Africa.

Intergovernmental Relations

The City has successfully established the internal procedures of intergovernmental structures as per Section 33(1) of the Intergovernmental Relations Framework Act, 2005(Act 13 of 2005). The terms of reference for the establishment of Mangaung Metropolitan Municipality technical IGR forum; and rules to govern procedures for the functioning of Mangaung Metropolitan Municipality technical IGR forum were approved by Council as instrument to strengthen and harness joint planning.

The new guidelines for the development of Integrated Development Plan for the Metropolitan Municipalities advocates for decisive leadership by both the political and administrative structures in realizing joint planning, implementation, monitoring and evaluation.

Table 29: Service Delivery Objectives on Office of the City Manager

GOOD GOVERNANCE AND PUBLIC PARTICIPATION						
NATIONAL KEY PERFORMANCE AREA (NKPA)	MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)					
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)	FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)					
CIRCULAR 88 REPORTING REFORMS	SUSTAINABLE DEVELOPMENT GOAL (SDG)					
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES	ORGANISATIONAL STRENGTH					
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Internal Audit						
Functional Internal Audit A functional IA activity operating according to the IIA Standards and approved risk-based audit plan and Audit Performance Committee	4	Number of Audit & Performance Committee meetings held	4 meetings	8 Meetings held (2+2+2+2)	+ 4 Meetings held	N/A
	2	Number of Audit & Performance Committee reports to Council	2 Reports to Council	2 Reports to Council (1+1)	N/A	N/A
	33	Number of IA reports issued	30 Internal Audit reports issued	36 Internal Audit reports issued (5+10+10+11)	+ 6 IA reports issued	N/A
Risk Management						
Reduce and manage Risks to acceptable appetite	1	Number of risk registers developed	1	1	N/A	N/A
	4	Number of risk management reports developed	4	4	N/A	N/A
	4	Number of awareness sessions held	4	6	+2 more requests for workshops were received from the Directorates.	N/A

3.11 Corporate Service

Corporate Policy Offices

The role of the unit is to provide the following services:

- To ensure effective management of the Municipality addressing agreed political priorities.
- To ensure that the operation of the Municipality is restructured to deliver effectively.
- To ensure that citizens are given sufficient information, opportunity and encouragement to participate in and influence the affairs of the Municipality.
- To ensure that the Municipality will use information and communication technology effectively to assist in decision making, in working efficiently, and in delivering services more effectively to clients.
- To promote the overall wellness of Municipality's staff and provide support systems to maintain such.

Information Communication Technology

The ICT Sub Directorate serves as the focal point for technological advancement in the institution. The ICT Sub Directorate provides control in areas of planning, operation, and maintenance of technology infrastructure, systems, and applications, provide value-added ICT services and solutions to all of the Mangaung Metropolitan Municipality that enhances service delivery to the Municipality. Furthermore, the ICT Sub Directorate is responsible for the institution's communications and computer systems, which include voice, and computer-based technologies. These services and technologies provide the Municipality with the tools essential to effectively carry out day to day operations to support the overall Municipality mission and goals.

The ICT Sub Directorate operates in a collaborative relationship with user departments by facilitating the identification of the appropriate technology and assisting users and management with the implementation of that technology. Although management should have the final say in application-specific decision, the ICT Sub Directorate should guide the selection process by defining standards. These standards are not hard and fast rules; rather a framework within which range of solutions are feasible, both from the functional perspective as well as ICT Sub Directorate technical support capabilities.

Human Resource Management

The strategic objective of Human Resource Management is to lead, manage and direct human resource functions within the Municipality through the following:

- a) Labour relations;
- b) Occupational health and wellness;
- c) HR benefits;
- d) Work study;
- e) Job evaluation;
- f) Payroll Management;
- g) Safety and loss control;
- h) HR Systems;
- i) Individual performance Management; and
- j) Employment.

Legal Services

The Legal Services Sub-Directorate's main purpose is to provide professional legal advice and assistance service to the Municipality to ensure the proper protection of the Municipality's interests and compliance with its obligations.

Table 30: Service Delivery Objectives on Corporate Services

NATIONAL KEY PERFORMANCE AREA (NKPA)		GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS 03 – GROWTH 04 – GOVERNANCE				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		GOOD GOVERNANCE AND IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		GOOD GOVERNANCE				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL. GOAL 17 - STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Output Indicators						
Good Governance and Improved quality of life	0	Establishment of a Disaster Recovery site	Appointment of a service provider for development of a Disaster Recovery as a service.	-BID Specifications completed via BSC. -BID advertised on April 25, 2025 and closed of June 5, 2025 (DRaaS bid, MMM/BID 775: 2024/2025). -BID opening register completed & published on the MMM website by SCM .	Appointment of the Service Provider not finalised due to delayed SCM processes. ICT Technical evaluation and BEC Technical report must be completed and subsequently serve at the BAC.	Technical evaluation on qualifying bidders. Appointment of the successful Service Provider by the Accounting Officer
Improved energy sustainability	1	Install Solar Panel (PV)- Mun Buildings	1 x Building	Completed. 62.5 KVA Photo Voltaic Solar System at SCM offices. Issued an appointment letter for FPM for 50kw -PV Solar rooftop system	N/A	N/A
Protection of municipal assets and buildings	1	Fencing Hist Build B/ FISPRECINCT	1 x Building	Completed - Installation of fencing at Van Stadensrus (Thapelong Community Hall) issued an appointment letter for barrier fence FPM	N/A	N/A
To enhance service delivery to have reliable Fleet	92 Vehicles	No. of vehicles procured	5 vehicles	Completed 9	N/A	N/A

NATIONAL KEY PERFORMANCE AREA (NKPA)		GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS 03 – GROWTH 04 – GOVERNANCE				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		GOOD GOVERNANCE AND IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		GOOD GOVERNANCE				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL. GOAL 17 - STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
GG1. Improved municipal capability	65%	GG 1.21 Staff vacancy rate	45%	60.8%	N/A	N/A
	100%	GG1.22 Percentage of vacant posts filled within 6 months	100%	59.5%	-Personnel shortage	
GG2. Improved municipal responsiveness	100%	GG 2.11 Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	100%	100%	N/A	N/A
	30%	GG 2.12 Percentage of wards that have held a quarterly councilor-convened community meeting	30%	0	Councillors only report as and when they hold community	To be encouraged to report on a quarterly basis to the Speaker's office
	70%	GG2.31 Percentage of official complaints responded to through the municipal complaint management system	70%	68.5 %	1.5 %	Advertise and fill the 3 Vacant Positions in the Call Centre as soon as possible and upgrade the Call Centre Systems.
					3 Vacant Positions in the Call Centre	

NATIONAL KEY PERFORMANCE AREA (NKPA)		GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS 03 – GROWTH 04 – GOVERNANCE				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		GOOD GOVERNANCE AND IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		GOOD GOVERNANCE				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL. GOAL 17 - STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
GG3. Improved municipal administration	100%	GG 3.12 Percentage of councilors who have declared their financial interests	100%	100%	N/A	N/A
GG5. Zero tolerance of fraud and corruption	0	GG 5.11 Number of active suspensions longer than three months ^s	0	0	None	None
	280	LED 1.31 Number of individuals connected to apprenticeships and learnerships through municipal interventions	250	Completed 252	None	None
Security of tenure	478	HS1.22 Number of title deeds registered to beneficiaries	1 500	1123	The Department of Human Settlements did not submit request for registrations	Engagement with Human Settlements to speed up process of the verification and send us the list of the beneficiaries
Outcome Indicators (Not audited)						
Increased access to and utilization of social and community facilities	75%	HS3.5 Percentage utilisation rate of community halls	75%	31,9%	Not Applicable as per C88 template	Not Applicable as per C88 template

8 Zero target is set as a measure to curb fraud and corruption with the intention of not having any suspensions

NATIONAL KEY PERFORMANCE AREA (NKPA)		GOOD GOVERNANCE AND PUBLIC PARTICIPATION				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS 03 – GROWTH 04 – GOVERNANCE				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		GOOD GOVERNANCE AND IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		GOOD GOVERNANCE				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL. GOAL 17 - STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Improved municipal capability	100%	GG1.1 Percentage of municipal skills development levy recovered	100%	100,0%	Not Applicable as per C88 template	Not Applicable as per C88 template
Improved municipal responsiveness	100%	GG1.2 Top management stability	100%	91,9%	Not Applicable as per C88 template	Not Applicable as per C88 template
	100%	GG2.1 Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)	60%	100%	Not Applicable as per C88 template	Not Applicable as per C88 template
Improved municipal responsiveness	0%	GG2.2 Attendance rate of municipal council meetings by participating leaders (recognised traditional and/or Khoi-San leaders)	100%	0	Not Applicable as per C88 template	Not Applicable as per C88 template
	0	GG2.3 Protest incidents reported per 10 000 population	0	0	Not Applicable as per C88 template	Not Applicable as per C88 template

NATIONAL KEY PERFORMANCE AREA (NKPA)		GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 1: BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE		
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS 03 – GROWTH 04 – GOVERNANCE		
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		GOOD GOVERNANCE AND IMPROVED QUALITY OF LIFE		
CIRCULAR 88 REPORTING REFORMS		GOOD GOVERNANCE		
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 8 – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL. GOAL 17 - STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.		
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES				
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement
	75%	GG4.1 Percentage of councillors attending council meetings	75%	85,8%
	0	GG5.1 Number of alleged fraud and corruption cases reported per 100 000 population	0	0
			Variance and Reasons	Corrective Measure
			Not Applicable as per C88 template	Not Applicable as per C88 template
			Not Applicable as per C88 template	Not Applicable as per C88 template

Table 31: Financial Performances Corporate Services

Financial Performance: Human Resource Services				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(22 359 163)	(22 359 163)	(1 870 604)	(20 488 559)
Expenditure:				
Employees	67 357 774	67 605 274	66 001 544	1 603 730
Repairs and Maintenance	76 542 436	81 755 436	75 287 233	6 468 203
Other	100 123 513	120 892 319	94 992 924	25 899 395
Total Operational Expenditure	244 023 723	270 253 029	236 281 701	33 971 328
Net Operational Expenditure	221 664 560	247 893 866	234 411 097	13 482 769
Financial Performance: ICT Services				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	(5 972)	(5 972)	-	(5 972)
Expenditure:				
Employees	38 891 683	36 951 683	36 693 679	258 004
Repairs and Maintenance	1 435 069	1 435 069	609 941	825 128
Other	48 856 679	43 496 261	42 588 496	907 765
Total Operational Expenditure	89 183 431	81 883 013	79 892 116	1 990 897
Net Operational Expenditure	89 177 459	81 877 041	79 892 116	1 984 925

Component E: Institutional Development and Organisational Transformation

3.12 Planning Services

The Department aims to establish new and formalise townships and other strategic investment nodes in the Municipality. Fundamental to the planning process is the implementation of the Spatial Planning Land Use Management Act (Act 16 of 2013). Through this process the Municipality has established a development tribunal to fast-track land use applications.

Key priorities should address the following:

- Densification of the Municipality through infill planning and group housing schemes;
- Elimination of informal settlements and facilitating access to proper community services;
- Creation of liveable urban spaces;
- Integration of the Municipality through the creation of economically viable urban transport corridors; and
- Creating economic and social opportunities for all the residents of the Municipality to benefit .

Table 32: Service Delivery Objectives on Planning Service

NATIONAL KEY PERFORMANCE AREA (NKPA)		MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 2: ECONOMIC TRANSFORMATION AND JOB CREATION PRIORITY 5: SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		01 – SPATIAL INTEGRATION 02 – INCLUSION AND ACCESS 03 – GROWTH				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		SUSTAINABLE RURAL DEVELOPMENT, INCLUSIVE ECONOMIC GROWTH AND SUSTAINABLE JOB CREATION IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		HOUSING / COMMUNITY FACILITIES				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		GOAL 9 - GOAL 9 – BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION. GOAL 13 – TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS BY REGULATING EMISSIONS AND PROMOTING DEVELOPMENTS IN RENEWABLE ENERGY.				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES						
Strategic Intent	Audited Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Measure
Improved functionality of the residential property market	30	HS2.22 Average number of days taken to process building applications of less than 500 square meters	30	46	Delays caused by other departments (shortage off staff)- due to prolonged processing times for applications - result in backlogs that have ripple effect across all departments. These delays hinder the timely scrutiny and approval of plans, affecting overall workflow efficiency	1. Allocate additional personnel to departments experiencing high workloads to reduce processing times. 2. all departments to sign service agreement with time-frames.
	60	LED 3.13 Average number of days taken to process building application of 500 square meters or more	60	48	Less than 60 days	None

Table 33: Financial Performance Planning

Financial Performance: Planning Services				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(13 001 068)	(12 991 068)	(16 249 144)	3 258 076
Expenditure:				
Employees	40 609 803	41 078 978	40 775 187	303 791
Repairs and Maintenance	745 138	745 138	636 909	108 229
Other	30 456 829	27 468 025	20 892 476	6 575 549
Total Operational Expenditure	71 811 770	69 292 141	62 304 572	6 987 569
Net Operational Expenditure	58 810 702	56 301 073	46 055 428	10 245 645
FINANCIAL PERFORMANCE: FRESH PRODUCE MARKET				
R'000				
Details	30/06/2025			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	(35 531 203)	(35 531 203)	(35 798 588)	267 385
Expenditure:				
Employees	10 432 388	9 510 502	10 503 853	(993 351)
Repairs and Maintenance	714 056	714 056	151 589	562 467
Other	7 021 512	7 436 910	7 592 549	(155 639)
Total Operational Expenditure	18 167 956	17 661 468	18 247 991	(586 523)
Net Operational Expenditure	(17 363 247)	(17 869 735)	(17 550 597)	(319 138)



Chapter 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Consolidated Annual Report 2024/2025

Chapter 4 - Organisational Development Performance

Component A: Introduction to Municipal Personnel

The attainment of a capable and developmental state as envisioned in the National Development Plan (NDP) hinges amongst others on the right quality and quantity of human resources. The delivery of quality enhanced services in a sustainable manner to the broader population of Mangaung is also influenced by the creation of an adequately balanced and skilled workforce that promotes the ideals of Batho Pele. The Municipality continually strives for establishing an “appropriately sized” institutions with a balance of skills related to our core functions and administrative support.

4.1 Employee Totals, Staff Turnover and Vacancies 2024/2025

Table 34: Employees

Departments	Year 2024/2025	
	Employees	Vacancies
	No.	No.
Corporate Services	380	289
Economic and Rural Development	33	34
Technical Services	763	1230
Finance	238	238
Human Settlements and Housing	128	135
Office of the City Manager	142	114
Planning	92	167
Community Services	395	623
Strategic Programmes and Service Delivery Monitoring	76	64
Waste and Fleet Management	603	483
Public Safety and Security	263	1444
Totals	3113	4821

Table 35: Vacancy Rate

Designations	Total No Approved Posts	No Vacancies
Municipal Manager	1	0
CFO	1	0
Other S57 Managers (excluding Finance Posts)	6	0
Other S57 Managers (Finance posts)	0	0
Traffic officers	194	124
Fire fighters	169	88
Senior management: Levels 002-003 (excluding Finance Posts)	264	143
Senior management: Levels 002-003 (Finance posts)	32	19
Highly skilled supervision: levels 004-006 (excluding Finance posts)	693	429
Highly skilled supervision: levels 004-006 (Finance posts)	77	36

Staff Turnover across the Municipality relates to all terminations (dismissals, resignations, retirements, medical terminations etc.) for the period under review.

Table 36: Staff Turn-Over Rate

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year – 2024/2025	3069	128	4.17%

Component B: Managing Workforce

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

Work force management within the Municipality is compliant with all legislative requirements governing the workplace together with collective agreements concluded by the parties at the SALGBC. There is an extensive consultation process with organized labour on issues of mutual interest at the Local Labour Forum.

This is done through management of the recruitment process, selection and placement of staff; so that the best suitably qualified candidates are employed.

Employee benefits including sick leave are administered in terms of applicable labour legislation, Conditions of Service, Collective Agreements and policies by means of an integrated Electronic Human Resource Management System.

The Directorate Corporate Services is tasked with the responsibility of ensuring that the Human Resources Management, Labour Relations, and Human Resource Development Sub- Directorates develop and implement internal Human Resources Policies, which are compliant to legislation and that ensures that the Municipality achieves its vision and developmental objectives.

The HR Policies Unit obtains its mandate from Section 67 of the MSA and therefore strives to develop and implement cutting-edge internal Human Resources Policies, which are compliant to legislation and ensures that the Municipality achieves its vision and developmental objectives as set out in the Municipality’s Integrated Development Plan (IDP).

The policies and procedures supplement the conditions of employment of every employee, the workplace rules issued from time to time by the Municipality, and the code of conduct for staff members of municipalities contained in Schedule 2 of the Municipal Systems Act. As such it attempts to establish a set of rules for the consistent interpretation and application of collective agreements and legislation governing human resources management in the Municipality

HR Policies contributes to improving compliance in terms of workplace legislation and collective agreements and provides an improved state of corporate governance. It gives direction and guidance to employees to do their work and provide workplace structure and support in the way that a Municipality defines roles and responsibilities and explain the consequences of actions and behaviours.

The Human Resource Management Sub-Directorate established an internal HR Policy Forum and has as a result developed a number of policies that have been referred to discussion and consultative forums such as the EMT, Section 80 Committee for Corporate Services and the Local Labour Forum (LLF). The policies are finally referred to Council for approval.

Table 37: HR Policies and Plans

HR Policies and Plans			
Name of Policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
Employment Equity Policy	2017/18	Feb- 2024	The policy is under review still to be consulted with relevant stakeholders
Employment Equity Report	2017/18	Feb - 2024	The policy is under review still to be consulted with relevant stakeholders
Career Management Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
HRM&D Strategy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.

HR Policies and Plans			
Succession Planning Policy	2017/18	Fe - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Internship and Work Integrated Learning Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Recognition of Prior Learning (RPL)	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Occupational Health and Safety Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Employee Wellness Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders. The policy to be referred to HRD as per municipal protocol, and b aligned with the DPSA, employee Health and wellness strategic framework for the public service.
Personal Protective Equipment Policy (PPE)	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Bereavement Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Control of Official Firearm Policy	2017/18	Feb - 2024	Council preferred to refer all these policies back to the LLF plenary for further consultative discussions
Workplace Skills Plan	2019/20	April - 2024	Submitted to LG SETA for approval 2023-2024 WSP
HIV Aids STI and TB Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Disability Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Overtime Policy	2017/18	Feb - 2024	The policy is under review -still to be consulted with relevant stakeholders. The policy is at LLF for consultation.
Placement Policy	2021/22	Feb - 2023	The policy is still applicable . The policy was adopted by Council on the 19 December 2022
Employee Study Assistance Policy	2017/18	May - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Skills Development Policy	2017/18	May - 2024	The policy is under review -still to be consulted with relevant stakeholders.
Workplace Discrimination and Harassment Policy	2017/18	Feb - 2024	Council preferred to refer all these policies back to the LLF plenary for further consultative discussions

Table 38: Number and Cost of Injuries on Duty 2024/2025

Number and Cost of Injuries on Duty (July 2024-June 2025)							
Type of injury	Total number of cases reported	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Salary Cost	Total Estimated Cost
		Days	No.	%	Days	R	R
Required basic medical attention only	29	124	25	N/A	4,96	R167 077,30	R49 767,88
Approved Section 24 Cases	2	54	2	N/A	27	R43 053,33	R4 327,86 (most of the accounts not yet received)
Motor vehicle/Traffic accidents	15	241	15	N/A	16,06	R214 176,78	R69 615,62
Temporary total disablement	0	0	0	N/A	0	0	0
Permanent Disablement	0	0	0	N/A	0	0	0
Fatal	1	N/A	N/A	N/A	N/A	N/A	R20 797,00

IOD Pensioners	21	N/A	N/A	N/A	N/A	N/A	R1 173 273,31
Total	47	419	42	N/A	9,9	R424 307,41	R1 317 781,67

Injuries: Total number of injury on duty case reported for the year is 47 and pensioners are 21 giving the total of 68. Cognisance should be taken that although the statistics represent all cases reported to the Safety and Loss Control Sub-directorate, there are cases which to date have not been approved by the Compensation Commissioner. Medical expenses incurred will be "incorrect" as it only reflects expenses paid for approved cases and for cases for which accounts have been received, some might still undergo treatment and the total will not reflect those expenses yet. No accounts has been received for most of the 2025 cases.

The total estimated cost not only includes the injury on duty cases, but also the sundry payments for injury on duty pensioners. Furthermore, cognisance should be taken that an injury on duty case run over a two-year period and whilst the injury on duty date was not in the financial year, cost can still be payable in the next year.

Injuries: The classification under type of injury does not clearly make provision to capture serious injury on duty cases, where the injured was of duty 14 days or longer some up to 6 months, but the employee returned to his work after rehabilitation. Therefore, we added another classification namely, approved Section 24 cases. We also made provision for Motor Vehicle accidents seeing they are not reportable as Section 24 cases in terms of the Occupational Health and Safety Act (they are reported to Compensation Commissioner only).

Examination of injury on duty cases

Examination of injury on duty cases are done by a doctor, who treated the patient as determined /required by the Compensation for Occupational Injuries and Diseases Act, If the injured was treated by the Doctor at our clinic, then that doctor will be responsible for all follow-ups.

Table 39: Number of Days and Cost of Sick Leave 2024/2025

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post	Average sick leave per Employee Days	Estimated cost
	Days	%	No.	No.		R' 000
Lower skilled (Levels 016-018)	7463	24.11	612	1393	5.36	R6,389,864.35
Skilled (Levels 013-015)	489	33.13	35	58	8.43	R376,811.09
Highly skilled production (levels 007-012)	10351	33.77	833	1215	8.52	R14,373,801.54
Highly skilled supervision (levels 004-006)	1293	45.24	176	323	4.00	R3,904,218.85
Senior management (Levels 002-003)	874	30.32	88	136	6.43	R4,720,492.02
MM and S57	23	26.09	4	8	2.88	R159,297.00

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post	Average sick leave per Employee Days	Estimated cost
	Days	%	No.	No.		R' 000
Total	20493	30.81	1748	3133	6.54	R29,924,484.84

Table 40: Number and Period of Suspensions

Personal Details	Date of Suspension	Details of disciplinary action taken, status of case and reasons why not finalized.	Date Finalized
GM: HRM	13/09/23	The employee has been dismissed, and the case has been finalised internally	06/06/2025
GM: Budget & treasury, finance	24/08/23	The case has been finalized, and the employment contract has been terminated through mutual understanding between the employer and the employee.	22/07/2024
Regional General Manager: Bloemfontein	04/04/24	The employee has been charged, and the internal disciplinary hearing is on-going. The presiding officer has been changed.	Ongoing
Manager: Meter Reading (Data Analysis), Finance	04/04/24	The case is on-going, and the employer will be closing his case as it is dated the 25/07/2025	Ongoing
General Worker: Solid Waste	01/07/24	The matter has been finalized, and the employee was given a final written warning	09/13/2025
Sewer Cleaner	29/02/24	The employee pleaded and a settlement agreement was entered into. The employee was given a final written warning.	03/09/2024
Supervisor: Water & Sanitation	29/02/24	The employee pleaded and a settlement agreement was entered into. The employee was given a final written warning.	03/09/2024
Superintendent: Water & Sanitation	20/02/24	The matter is on-going, and it will be sitting on the 14/08/2025	Ongoing
Assistant Chief: Public Safety	25/04/24	The internal disciplinary hearing is on-going and has not been finalized.	Ongoing
General worker: Solid waste (Thoabala)	03/05/24	The allegations against the employee were found to be not truthful and the employee's suspension was withdrawn.	18/07/2024
Chief Clerk: Finance	04/06/24	The case has been finalized, the employee was not guilty, and the employer is reviewing this decision in the Labour Court.	23/12/2024
Environmental Officer	12/06/24	The employee pleaded guilty in the hearing, and she was given a final written warning, demotion and days were deducted from her salary which she didn't work.	16/09/2024

OHS & WELLNESS COMMENT

Labour Section should refer all cases of misconduct to the Occupational and Wellness section for professionals to make necessary assessments and interventions, The two sections must work hand in hand for the unit to make recommendations on matters concerning employees, based on their assessments and employee records.

Type of Intervention	No of cases	Outcome	Stakeholders
Group Intervention	04	1. Still pending due to awaiting of the medical report	Wellness & HRM
		2. Supervisors were empowered on internal process to be followed when handling troubled employee	Wellness & Labour Relations
		3. Wellness partnered with Vaal Central Water to conduct debriefing session two employees died on duty. (attended by 30 Officials)	Vaal Central & Wellness
		4. MMM Fire Officials after a traumatic experience at the Smithfield accident (Wellness) (09 Officials)	Wellness

Supervisor v/s Subordinates intervention	10	Crisis management in restoring working relations between Supervisors and their subordinates (20 Supervisors were in attendance)	Wellness & Labour Relations
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Component C: Capacitating the Workforce

One of the key challenges around an integrated process of skills development within the Municipality has been a lack of a comprehensive, holistic and integrated framework for human capital development that will guide and integrate key processes such as training needs analysis, career pathing and planning, succession planning, management and leadership development, knowledge exchange and innovation. The following tables indicates programmes implemented during 2024/2025 financial year.

Table 41: Programmes Implemented on Capacity Workforce

Skills Development Division						
Intervention Type	Title	NQF Level	Total Beneficiaries	Training Cost	Funding Source	Status
Learnership	National Cert: Municipal Financial Management	Level 6	31	R620 000	LGSETA Mandatory Grant (Skills Grant)	Completed
	National Cert: Building & Civil Construction – Bricklaying (Bloemfontein)	Level 3	15	R330 000	LGSETA Mandatory Grant (Skills Grant)	Completed
	National Cert: Building & Civil Construction – Bricklaying (Botshabelo)	Level 3	15	R330 000	LGSETA Mandatory Grant (Skills Grant)	Completed
Skills Program	Local Economic Development	Level 7	17	R136 000	LGSETA Discretionary Grant (Skills Grant)	Completed
	MFMP	Level 6	15	R120 000	LGSETA Discretionary Grant (Skills Grant)	Completed
	ORBIT (Document Management System) Training	N/A	93	R90 160	HRD Training Vote	Completed
Internal Training:	Induction	N/A	15 (Interns)	R0 000	N/A	Completed
		N/A	8	R0 000	N/A	Completed
		N/A	43	R0 000	N/A	Completed
Total			252	R1 536 000		

Operational Training Division				
No.	Programme	Client	Number of Beneficiaries	Status
1	Basic Traffic Officer Diploma Course	MMM: Law Enforcement Unit	34	Completed
		MMM: Anti-Fraud Unit	5	Completed
		Centlec	11	Completed
		Umvoti and Msunduzi Local Municipalities (KZN)	71	Completed
Total			121	

Operational Training Division				
2	Law Enforcement Skills Program (LESP) (Metro Police Training Course)	MMM: Law Enforcement Unit	32	Completed
		MMM: Anti-Fraud Unit	4	Completed
		Centlec	10	Completed
		MMM: Traffic Officers	9	Completed
Total			55	
3.	Peace Officer Training and Traffic Warden -Gauteng Province	Gauteng Province: Community Services	600	Completed
4.	Peace Officer Skills Programme (NASREC)	Department of Agriculture: Rural and Land Reform	54	Completed
5	First Aid Training	Mangaung Municipal Employees	300	Completed
Total			954	

Employee Study Assistance Enrolment 2024-2025			
MONTH	DIRECTORATE	QUALIFICATION TITLES	Number of Employees Enrolled
July 2024	Corporate Service	<ul style="list-style-type: none"> Diploma: Network System Higher Certificate: Public Management 	2
	Office of the City Manager		
August 2024	Corporate Service	<ul style="list-style-type: none"> Bachelor of Commerce Honors in Human Resource Management Diploma: Network Systems Higher Certificate: Public Administration and Management Diploma: Management National Certificate N5 Management Assistant Master of Business Administration Postgraduate Diploma:52 Business Administration 	7
	Planning		
	Technical Services		
September 2024	Corporate Services	<ul style="list-style-type: none"> Diploma in Network Systems National Certificate; N6 Management Assistant Further Education and Training Certificate: Pest Control Operations Bachelor of Law 	4
	Community Services		
	Public Safety and Security		
	October		
October 2024	Technical Services	<ul style="list-style-type: none"> National Certificate: N4 Public Management 	1
November 2024	Corporate Services	<ul style="list-style-type: none"> Diploma in Network Systems National Certificate: N6 Management Assistant Bachelor of Spatial Planning Honors Postgraduate Diploma: Public Management 	4
	Planning		
	Technical Services		
January 2025	Corporate Services	<ul style="list-style-type: none"> Master of Public Administration Advanced Diploma Traffic & Metropolitan Policing 	2
	Public Safety and Security		

Employee Study Assistance Enrolment 2024-2025

MONTH	DIRECTORATE	QUALIFICATION TITLES	Number of Employees Enrolled
March 2025	Corporate Services	• Advanced Diploma: Business Management	9
	Finance	• Postgraduate Diploma: Project Management	
	Economic Development	• Bachelor of Laws	
	Human Settlement	• Postgraduate Diploma Business Administration	
	Office of the City Manager	• Postgraduate Diploma: Public Management	
		• Postgraduate Diploma Risk Management	
April 2025		• Master of Management (Governance)	4
		• Higher Certificate Local Governance	
		• Master of Public Management	
		• Master of Management Sciences in Entrepreneurial Management	
May 2025	Community Services	Diploma in Management (Fire Technology)	1
TOTAL			34
Employee Study Assistance Claims 2024 -2025			

YEAR	MONTH	TOTAL CLAIMS	TOTAL PAID
2024	July	17	R341 293
	August	6	R97 360
	September	6	R85 730
	October	4	R54 634
	November	3	R93 720
	December	13	R391 965
2025	January	14	R380 362
	February	6	R214 075
	March	5	R61 600
	April	5	R207 412
	May	4	R40 840
TOTAL		82	R1 968 991

Table 42: Financial Competency Development

Description	A. Total number of officials employed by Municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Accounting officer	1	1	1	1		1
Chief financial officer	0	0	0	0		0
Senior managers	8	8	8	8		8
Any other financial officials	192	192	192	95	95	95
Supply Chain Management Officials	31	31	31	31		20
Heads of supply chain management units	1	1	1	1		1
Supply chain management managers	2	2	2	2		2
TOTAL	235	235	235	138	95	127

EMPLOYEE EXPENDITURE

It is extremely important to control workforce expenditure since it is one of the largest single expenditure items on the operational budget of the Municipality. Spending is controlled by means of the approved staff establishment and budget control. Expenditure on overtime is limited according to the "Collective Agreement".



Chapter 5

FINANCIAL PERFORMANCE

Consolidated Annual Report 2024/2025

CHAPTER 5 - FINANCIAL PERFORMANCE

5.1 Statement of Financial Performance

Table 43 below gives an overview of municipal performance against the budget.

Table 43: Reconciliation of Table A1 Budget Summary

Description	Budget Year 2024/2025							Full Year Forecast
	2023/2024 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	
R thousands								%
Financial Performance								
Property rates	1 448 159	1 654 053	1 654 053	70 194	1 792 355	1 654 053	138 302	8%
Service charges	5 256 285	6 340 977	6 472 937	370 561	5 716 811	6 472 937	-756 126	-12%
Investment revenue	79 386	78 241	78 241	8 369	99 118	78 241	20 877	27%
Transfers and subsidies	1 235 678	1 275 488	1 300 047	19 502	1 217 819	1 300 047	-82 228	-6%
Other own revenue	1 435 725	1 311 366	1 537 072	101 165	1 473 413	1 537 072	-63 659	-4%
Total Revenue (excluding capital transfers and contributions)	9 455 233	10 660 125	11 042 350	569 792	10 299 516	11 042 350	-742 835	-7%
Employee costs	2 461 979	2 513 360	2 495 954	151 067	2 570 221	2 495 954	74 266	3%
Remuneration of Councillors	74 552	79 728	78 427	6 371	77 818	78 427	-609	-1%
Depreciation & asset impairment	853 274	420 694	674 788	117 148	799 202	674 788	124 414	18%
Finance charges	141 329	27 072	27 072	11 415	57 454	27 071	30 382	112%
Materials and bulk purchases	4 077 593	3 211 258	3 494 815	410 252	4 004 572	3 494 814	509 757	15%
Transfers and subsidies	4 992	361	51	-	-	51	51	-100%
Other expenditure	3 173 876	3 502 180	3 822 946	-1 583 199	1 656 668	3 822 946	2 166 278	-57%
Total Expenditure	10 787 595	9 754 653	10 594 054	-886 945	9 165 935	10 594 054	-1 428 119	-13%
Surplus/(Deficit)	-1 332 362	905 472	448 296	1 456 737	1 133 581	448 297	685 284	153%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	606 718	1 034 842	787 369	109 440	549 589	787 369	-237 779	-30%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)								

Description	Budget Year 2024/2025							Full Year Forecast	
	2023/2024 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		YTD variance %
R thousands									
Surplus/(Deficit) after capital transfers & contributions	-725 643	1 940 314	1 235 666	1 566 177	1 683 170	1 235 666	447 504	36%	1 235 666
Share of surplus/ (deficit) of associate	272 617	120 000	120 000	10 000	120 000	120 000	-	-	120 000
Surplus/ (Deficit) for the year	-453 027	2 060 314	1 355 666	1 576 177	1 803 170	1 355 666	447 504	33%	1 355 666
Capital expenditure & funds sources									
Capital expenditure	574 971	1 339 880	1 140 830	149 757	639 426	1 140 830	501 404	-44%	1 140 830
Capital transfers recognised	480 038	1 033 284	785 811	99 891	438 674	785 811	347 137	-44%	785 811
Borrowing									
Internally generated funds	94 933	306 596	355 019	49 866	200 752	355 019	154 267	-43%	355 019
Total sources of capital funds	574 971	1 339 880	1 140 830	149 757	639 426	1 140 830	501 404	-44%	1 140 830
Financial position									
Total current assets	8 168 237	4 725 964	4 725 964		10 089 819				4 725 964
Total non current assets	21 864 501	22 465 146	22 266 095		21 824 291				22 266 095
Total current liabilities	10 969 782	2 518 116	2 518 116		11 047 172				2 518 116
Total non-current liabilities	2 606 626	1 958 998	1 958 998		2 606 682				1 958 998
Community wealth/Equity	16 835 696	22 886 214	23 391 812		17 102 592				23 391 812
Cash flows									
Net cash from (used) operating	7 151 567	2 099 501	2 099 501	630 614	10 315 187	2 099 501	-8 215 686	-391%	2 099 501
Net cash from (used) investing	-526 038	-1 329 981	-1 329 981	-145 162	-633 351	-1 329 981	-696 630	52%	-1 329 981
Net cash from (used) financing	-164 549	-92 996	-92 996	-25 607	-155 131	-92 996	-62 135	-67%	-92 996
Cash/cash equivalents at the month/ year end	7 172 126	1 387 686	1 387 686	173 899	9 356 527	1 387 686	-7 968 841	-574%	1 387 686

The Budget Summary Table is divided into three components namely:

- A. Statement of Financial Performance
- B. Spending against Capital Budget
- C. Other Financial Matters.

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

A. Total Revenue

The Municipality out of its original budget of (10 660 billion) performed at 93% of its adjusted revenue budget of R 11 042 billion for the year.

B. Total Expenditure

The Municipality's actual expenditure stood at R 9,166 billion, of the adjusted expenditure budget of R 10 594 which is 13% less expenditure than anticipated.

C. Surplus / (Deficit)

The Surplus was R1,133 million.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

At end of the financial year 2024/2025 the actual spending on the capital expenditure is R639 million (56%) of the final Budget R1,141 billion with a variance of (R501 million).

COMPONENT C: CASH FLOWS MANAGEMENT AND INVESTMENTS

At the end of the financial year 2024/2025 the municipal cash and investments balances stood at 1 387 686.

5.2 Grants

A. Operating Grants

Table 44: Operating Grants

GRANT EXPENDITURE				
DESCRIPTION	Adjustment Budget 2024/2025	June 2025 Actual	Balance	Percentage Spent
Neighbourhood Development Partnership Grant	2 000 000	1 936 157	63 843	97%
Public Transport Infrastructure & Systems Grant	78 360 000	8 829 861	69 530 139	11%
USDG Grant	456 037 941	350 165 674	105 872 267	77%
Informal Settlement Upgrading Partnership	223 268 830	124 423 354	98 845 476	56%
Disaster Management	12 144 305	10 116 252	2 028 053	83%
TOTAL FINANCING	771 811 076	504 089 040	281 722 036	56%

The Municipality is a recipient of the Operating Grants and Subsidies from the National and Provincial Government's respectively. For the reporting period the actual spending was R504 million.

B. Capital Grants

The capital expenditure budget stood at R 772 million by the end of the 2024/2025 financial year.

Table 45: Conditional Grants Received: Excluding MIG

Grants Received	Budget
Public Transport Infrastructure & Systems Grant	78 360 000
USDG Grant	456 037 941
Informal Settlement Upgrading Partnership	223 268 830
Electricity Public Contributions	14 000 000
Disaster Management	12 144 305
Neighbourhood Development Partnership Grant	2 000 000
Total	771 811 076

5.3 Repairs and Maintenance

Table 46: Repairs and Maintenance

Repair and Maintenance Expenditure: Year 2024/2025 R' 000				
	Original Budget	Adjustment Budget	Actual	Percentage
Repairs and Maintenance Expenditure	591 458	637 303	723 586	113.5%

Repairs and Maintenance Budget spending was at R 724 million (113.5%) by the end of the 2024/2025 financial year.

5.4 Spending against Capital and Operating Budget

Table 47: Capital and Operating Expenditure

R'000	Original Budget	Adjustment Budget	Actual
Capital Expenditure	1 339 880	1 140 830	713 675
Operating Expenditure	7 465 391	8 104 791	8 982 158
Total expenditure	8 805 271	9 245 621	9 695 833

Table 48: Capital Expenditure Funding Sources

CAPITAL EXPENDITURE FUNDING PER SOURCE	Approved Budget	Adjusted Budget	Curr Mth Exp	YTD Movement	Balance
External Loans	-	-	-	-	-
Capital Replacement Reserve (Own funds)	306 596	355 019	58 701	209 586	145 433
Public Contributions and donations	14 000	14 000	2 068	8 618	5 382
National Government	1 019 284	771 811	163 262	495 471	276 340
TOTAL	1 339 880	1 140 830	224 031	713 675	427 155

C. Projects Funded.

Funds earmarked for capital expenditure programmes are used mainly to address basic community service delivery expectation of water and sanitation, electricity, roads and stormwater.

D. Capital Spending on 4 Largest Projects

Table 49: Capital Expenditure of 4 Largest Projects

Capital Expenditure of 4 largest projects* R' 000			
Name of Project	Current: Year 2024/2025		
	Original Budget	Adjustment Budget	Actual Expenditure
REFURBISHMENT OF SEWER SYSTEMS	12 000 000	53 109 086	66 188 519
MMM WWTW REFURBISHMENT	10 000 000	25 049 000	24 425 681
BOTSHABELO MAIN OUTFALL	30 000 000	30 000 000	23 234 086
VEHICLES	20 000 000	30 228 726	27 315 492
TOTAL	72 000 000	138 386 812	141 163 778

5.5 Cashflow Management and Investments

Table 50: Cash Flow Outcomes

Description	Ref	2023/2024 Audited Outcome	Budget Year 2024/2025				YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual					
R thousands	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		858 837	1 286 853	1 286 853	99 636	992 172	1 286 853	-294 681	-23%	1 286 853	
Service charges		4 023 451	5 283 339	5 283 339	377 634	4 339 440	5 283 339	-943 899	-18%	5 283 339	
Other revenue		8 076 407	609 573	609 573	761 232	10 312 781	609 573	9 703 208	1592%	609 573	
Transfers and Subsidies – Operational		1 198 092	1 275 488	1 275 488	9 322	1 272 239	1 275 488	-3 250	0%	1 275 488	
Transfers and Subsidies - Capital		709 664	1 034 842	1 034 842	-	769 342	1 034 842	-265 500	-26%	1 034 842	
Interest		79 308	587 556	587 556	19 049	158 171	587 556	-429 385	-73%	587 556	
Dividends		8	12	12	3	9	12	-3 127	-25%	12	
Payments											
Suppliers and employees		-7 794 200	-7 977 802	-7 977 802	-636 263	-7 528 968	-7 977 802	-448 834	6%	7 977 802	
Finance charges											
Transfers and Grants			-361	-361			361	361	100%	361	
NET CASH FROM/(USED) OPERATING ACTIVITIES		7 151 567	2 099 501	2 099 501	630 614	10 315 187	2 099 501	-8 215 686	-391%	2 099 501	
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		49 142	9 900	9 900		1 723	9 900	-8 176	-83%	9 900	
Decrease (increase) in non-current receivables		-42			23	-54		-54			
Decrease (increase) in non-current investments		-167			-15	-182		-182			
Payments											
Capital assets		-574 971	-1 339 880	-1 339 880	-145 170	-634 838	-1 339 880	-705 042	53%	-1 339 880	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-526 038	-1 329 981	-1 329 981	-145 162	-633 351	-1 329 981	-696 630	52%	-1 329 981	

Description	Ref	Budget Year 2024/2025						YTD variance	Full Year Forecast
		2023/2024 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget		
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans			95 090	95 090	-		95 090	-95 090	-100%
Borrowing long term/refinancing		-15 837							
Increase (decrease) in consumer deposits		58 438	-32 839	-32 839		52	-32 839	32 890	-100%
Payments									
Repayment of borrowing		-148 770	-155 247	-155 247	-25 607	-155 182	-155 247	-65	0%
NET CASH FROM/(USED) FINANCING ACTIVITIES		-164 548	-92 996	-92 996	-25 607	-155 131	-92 996	62 135	-67%
NET INCREASE/ (DECREASE) IN CASH HELD		6 460 980	676 525	676 525	459 845	9 526 705	676 525		676 525
Cash/cash equivalents at beginning:		711 145	711 161	711 161	-285 946	-170 178	711 161		-170 178
Cash/cash equivalents at month/year end:		7 172 126	1 387 686	1 387 686	173 899	9 356 527	1 387 686		506 346

5.6 Borrowing and Investments

A. Actual Borrowings and Investment

Table 51: Actual Borrowings and Investments

Description	Ref	Budget Year 2024/2025				YearTD actual	Full Year Forecast
		2023/2024 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual		
R thousands	1						
ASSETS							
Current assets							
Cash		-170 178	1 453 363	1 453 363	-281 943	1 453 363	1 453 363
Trade and other receivables from exchanged trans		1 537 305	1 850 378	1 850 378	2 751 937	1 850 378	1 850 378

Description	Ref	2023/2024	Budget Year 2024/2025			Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
Receivables from non-exchanged transactions		453 737	707 636	707 636	820 219	707 636
Current portion of non-exchange transactions		828 518	5	5	860 012	5
Inventory		648 370	714 582	714 582	712 810	714 582
VAT		4 684 205			5 014 163	
Other current assets		186 281			212 621	
Total current assets		8 168 237	4 725 964	4 725 964	10 089 819	4 725 964
Non-current assets						
Long-term receivables						
Investments		167			182	
Investment property		1 590 665	1 635 047	1 635 047	1 590 666	1 635 047
Investments in Associate						
Property, plant and equipment		17 619 222	20 361 477	20 162 427	17 465 391	20 162 427
Living and non-Living resources			3 254	3 254		3 254
Heritage assets		258 245	259 790	259 790	258 245	259 790
Intangible		133 634	148 509	149 509	127 012	149 509
Non-current receivables from non-exchange transactions		9 009	22	22	9 063	22
Other non-current assets		2 253 559	57 066	57 066	2 373 733	57 066
Total non-current assets		21 864 501	22 465 146	22 266 095	21 824 291	22 266 095
TOTAL ASSETS		30 032 738	27 191 110	26 992 060	31 914 111	26 992 060
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		-287 024	95 090	95 090	-442 206	95 090
Consumer deposits		194 472	208 547	208 547	192 994	208 547
Trade and other payables from exchange trans		4 941 082	2 097 313	2 097 313	4 567 642	2 097 313

Description	Ref	Budget Year 2024/2025				Full Year Forecast
		2023/2024 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
Trade and other payables from non-exchange trans		193 594			375 932	
Provisions		1 321 703	76 128	76 128	1 289 237	76 128
VAT		4 605 955	41 037	41 037	5 063 572	41 037
Other current liabilities						
Total current liabilities		10 969 782	2 518 116	2 518 116	11 047 172	2 518 116
Non-current liabilities						
Financial liabilities		952 762	53 669	53 669	952 818	53 669
Provisions		1 653 864	1 350 341	1 350 341	1 653 864	1 350 341
Long term portion of trade payables			554 987	554 987	-	554 987
Total non-current liabilities		2 606 627	1 958 998	1 958 998	2 606 682	1 958 998
TOTAL LIABILITIES		13 576 409	4 477 114	4 477 114	13 653 854	4 477 114
NET ASSETS	2	16 456 329	22 713 996	22 514 946	18 260 257	22 514 946
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		11 826 528	17 742 031	18 247 629	12 093 424	18 247 629
Reserves		5 009 168	5 144 183	5 144 183	5 009 168	5 144 183
TOTAL COMMUNITY WEALTH/EQUITY	2	16 835 696	22 886 214	23 391 812	17 102 592	23 391 812



Chapter 6

AUDITOR GENERAL REPORTS 2024/2025
PERFORMANCE

Consolidated Annual Report 2024/2025

Chapter 6 – Auditor General Reports

Component A: Auditor – General Opinion of Mangaung Metropolitan Municipality Consolidated Financial Statements 2024/2025

Report on the audit of the financial statements

Qualified opinion

1. I have audited the consolidated financial statements of the Mangaung Metropolitan Municipality and its entity (the group) set out on pages 195 to 358, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this audit report, the consolidated financial statements present fairly, in all material respects, the financial position of the group 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 qualified opinion

Service charges

3. I was unable to obtain sufficient appropriate audit evidence for the group's revenue from the sale of water – conventional meters, included in service charges in note 34 to the consolidated financial statements, as the Mangaung Metropolitan Municipality did not have reliable data of actual consumption to estimate consumer billings for water. I was unable to confirm the revenue from the sale of water – conventional meters by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to revenue from the sale of water – conventional meters included in service charges stated at R1 676 495 060 in note 34 to the consolidated financial statements.
4. In addition, the group did not account for revenue from the sale of water included in service charges in note 34 to the consolidated financial statements, in accordance with GRAP 9, *Revenue from exchange transactions*, as the Mangaung Metropolitan Municipality did not bill some consumers for water consumption, resulting in incomplete billing of water. Consequently, this resulted in the understatement of revenue from the sale of water included in service charges in note 34 to the consolidated financial statements by R291 240 746, and water trade debtors included in the consumer receivables from exchange transactions in note 5 to the consolidated financial statements being understated by the same amount. Additionally, there was an impact on the surplus for the year and the accumulated surplus.

Bulk purchases

5. I was unable to obtain sufficient appropriate audit evidence for the water distribution losses of the group included in bulk purchases in note 56 to the consolidated financial statements, as the Mangaung Metropolitan Municipality did not provide reliable data to confirm the water units sold (KL) that were used to calculate the water distribution losses disclosed in the consolidated financial statements. I was unable to confirm the water distribution losses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the water distribution losses stated at R495 548 900 included in bulk purchases in note 56 to the consolidated financial statements.

Property, plant and equipment

6. The group did not account for the infrastructure – sanitation network and water meters included in property, plant and equipment in note 12 to the consolidated financial statements in accordance with GRAP 21, *Impairment of non-cash generating assets*, as the Mangaung Metropolitan Municipality did not impair these assets where indicators of impairment were identified. Consequently, this resulted in the understatement of impairment loss in note 51 to the consolidated financial statements by R431 758 376 and overstatement of the infrastructure – sanitation network and water meters included in property, plant and equipment in note 12 to the consolidated financial statements by the same amount. Additionally, there was an impact on the surplus for the year and the accumulated surplus.

Employee related costs

7. I was unable to obtain sufficient appropriate audit evidence for overtime included in employee related costs of the group in note 48 to the consolidated financial statements, as inadequate processes were in place at the Mangaung Metropolitan Municipality to ensure that a need was determined for overtime to be worked or to confirm that the municipal officials worked the overtime claimed. I was unable to confirm the overtime by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to overtime included in employee related costs stated at R263 640 810 (2024: R246 048 912) in note 48 to the consolidated financial statements.

Commitments

8. The group did not recognise commitments in accordance with GRAP 1, *Presentation of the financial statements*, and GRAP 17, *Property, plant and equipment*, as the Mangaung Metropolitan Municipality did not disclose some commitments, while in other instances, they incorrectly calculated or classified commitments. Consequently, commitments disclosed in note 64 to the consolidated financial statements were understated by R117 463 928.

Context for opinion

9. 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 consolidated financial statements section of my report.

10. I am independent of the group 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.

11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty related to going concern

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

13. Note 68 to the consolidated financial statements indicates that the group was under financial distress requiring the implementation of a mandatory financial recovery plan (FRP) during the year ended 30 June 2025. There was also slow progress in dealing with financial difficulties, as only 58% of the phase 1: rescue phase activities contained in the FRP were implemented since August 2023. In addition, the group expects 84% (2024: 81%) of their receivables to be uncollectable and only 2% (2024: 2%) of group expenditure was channelled to repairs and maintenance of critical service delivery infrastructure. In addition, the group owed the water board R642 048 753 (2024: R921 667 119) and Eskom R1 598 269 023 (2024: R1 099 284 808) as at 30 June 2025, which was long overdue. As stated in note 68, these events or conditions, along with the other matters as set out in note 68, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

Emphasis of matters

14. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

15. As disclosed in note 77 to the consolidated financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the consolidated financial statements of the group, and for the year ended 30 June 2025.

Material impairments and losses

16. As disclosed in notes 5 and 6 to the consolidated financial statements, consumer receivables from exchange transactions and consumer receivables from non-exchange transactions were impaired by R8 525 773 551 (2024: R7 009 801 115) and R2 378 623 055 (2024: R1 993 972 053), respectively.

17. As disclosed in note 54 to the consolidated financial statements, material losses of R382 350 976 (2024: R692 488 067) were incurred as a result of a write-off of irrecoverable trade debtors.

Underspending and withholding conditional grants

18. As disclosed in note 23 to the consolidated financial statements, the group materially underspent the conditional grants by R191 730 084 (2024: R193 594 528) due to the group not properly monitoring the usage of grant funding. As disclosed in note 72 to the consolidated financial statements, the National Treasury withheld R140 980 958 (2024: R296 655 460) conditional grants from the group due to the slow implementation of projects.

Unauthorised expenditure

19. As disclosed in note 69 to the consolidated financial statements, unauthorised expenditure of R1 355 234 916 (2024: R1 811 858 259) was incurred, due to overspending of the budget.

Irregular expenditure

20. As disclosed in note 71 to the consolidated financial statements, irregular expenditure of R323 866 758 (2024: R277 415 011) was incurred, due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

Other matters

21. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

22. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the consolidated financial statements. This disclosure requirement did not form part of the audit of the consolidated financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedule

23. The supplementary information set out on pages 359 to 363 does not form part of the consolidated financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the consolidated financial statements

24. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Standards of 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

25. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the group'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 group or to cease operations, or has no realistic alternative but to do so.

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

26. My objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

27. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report. This description, which is located at page 134, forms part of my auditor's report.

Report on the audit of the annual performance report

28. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

29. I selected the following KPA presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected a KPA that measures the group's performance on its primary mandated functions and that is of significant national, community or public interest.

KPA	Page numbers	Purpose
Basic service delivery	35 - 65	Service delivery improvement

30. I evaluated the reported performance information for the selected KPA 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 of the report on the group's planning and delivery on its mandate and objectives.

31. In performing the audits of metropolitan municipalities, our procedures focused on the material indicators relating to water, sanitation, human settlements and related infrastructure, electricity and energy, roads and transport services.

32. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the group's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the group'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 and are verifiable, so that we 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 what were committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

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

34. The material findings on the reported performance information for the selected KPA are as follows:

Basic service delivery

Overall presentation not comparable and understandable

35. Overall, the performance information for this KPA was not reported in such a way that it could be compared, as the group included baselines for 2023-24 in the current year's annual performance report that could not be confirmed against the prior year's annual performance report. Consequently, the reported performance information was not useful for measuring progress against the planned objectives, which compromises transparency and accountability.

HS1.12 Number of serviced sites

36. An achievement of 34 serviced sites was reported against a target of 264, but the audit evidence showed the actual achievement to be 43 serviced sites. The achievement against the target was better than reported.

HS1.32 Number of informal settlements upgraded to phase 2

37. An achievement of 2 of 53 informal settlements upgraded to phase 2 was reported against a target of 7 of 53. However, the audit evidence showed the actual achievement to be only one informal settlement upgraded to phase 2. Consequently, the underachievement of the target was more than reported.

A fully operational wastewater treatment works plants within MMM by 30 June 2025

38. The approved planning documents included a target for the refurbishment of all non-functional process units of wastewater treatment works (WWTWs) within the Mangaung Metropolitan Municipality by 30 June 2025. However, an achievement of eight out of 13 WWTWs is now partially functional, as reported in the annual performance report. This discrepancy highlights misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability. Furthermore, I could not determine whether the reported achievement was correct, as I could not verify the methods and processes used to measure the achievement. Consequently, the reported achievement might be more or less than reported and was not reliable for determining whether the target has been achieved. Lastly, continuing with the refurbishment of plants in the new financial year as per the service delivery and budget implementation plan (SDBIP) 2025-26 was reported as a measure aimed at improving performance against the target. I could, however, not determine whether the measure was actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

WS3.21 Percentage of callouts responded to within 48 hours (sanitation/wastewater)

39. An achievement of 90,7% was reported against a target of 48%. I could not determine whether the reported achievement was correct, as I could not verify the methods and processes used to measure the achievement. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved.

WS5.31 Percentage of total water connections metered

40. Measures taken to improve performance against the underachieved target of 80% were not reported in the annual performance report. Information was thus not provided to help with understanding the actions taken by the accounting officer to address performance gaps and assessing the effectiveness of strategies to improve future performance against the target.

WS4.31 Percentage of wastewater treatment capacity unused

41. The approved planning documents included a commitment to install meters. However, an achievement of 0% was reported in the annual performance report. This discrepancy highlights misalignment between approved plans and operations, while the incorrect reporting undermines transparency and accountability. Furthermore, I could not determine whether the reported achievement was correct, as I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved. Moreover, the target does not relate directly to the indicator, which measures the percentage of unused wastewater treatment capacity. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievement does not provide useful information on the indicator's achievement. Lastly, it was reported as a measure aimed at improving performance against the target of installation of meters, that the department had to install bulk check meters, and that the project is ongoing as per the SDBIP 2025-26. However, I could not determine whether the measure was actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

WS4.11 Percentage of water treatment capacity unused

42. An achievement of 69,5% was reported against a target of 50%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

Various indicators

43. Some supporting evidence was not provided for auditing, or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicators	Reported targets	Reported achievement
Refurbished sanitation infrastructure	1 km of sewer pipeline replaced and refurbished	13,3 km of sewer pipeline replaced and refurbished
Kilometres of pipeline replaced and refurbished water systems	12 km of pipeline replaced and refurbished water systems	21,2 km of pipeline replaced and refurbished water systems
WS4.21 Percentage of industries with trade effluent inspected for compliance	20%	56,1%

Various indicators

44. I could not determine whether the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicators	Reported targets	Reported achievement
No. of illegal dumping sites cleared	250	449 illegal dumping sites cleared
WS5.21 Infrastructure leakage index	8,7	4,8
Kilometres of stormwater improved and or re-habilitated	1,5 km	2,31 km

Various indicators

45. Measures aimed at improving performance against targets were reported. However, I could not determine whether the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Indicators	Reported targets	Reported achievement	Corrective measure
Number of landfill sites upgraded and refurbished	3	0	Service provider appointed. Material delivered and repair and refurbishment of the three weighbridges in progress
ENV5.21 Number of inland water samples tested for monitoring purposes	2 000	31 inland water samples were tested for monitoring purposes	Inland water samples are only tested during the summer season. Q2 and Q3
HS1.31 Number of informal settlements assessed (enumerated and classified)	8	0	The metro experienced multiple land invasions across the regions. To be efficient and cost effective, the project is deferred to the 2025-26 financial year, wherein all the informal settlements are assessed, enumerated and classified to have a municipal-wide upgrading strategy and plan, which is the requirement to be included in the informal settlements upgrading partnership grant (ISUPG) business plan (this is to avoid a fragmented approach). Funds were reprioritised for title deeds registration to achieve the target

Indicators	Reported targets	Reported achievement	Corrective measure
Number of waste management facilities developed	Identification and purchasing of land for the development of waste management facilities	No land was identified and purchased for the development of waste management facilities	Submit an internal memo to the Directorate Planning and Property Management indicating the preferred topography of the land and distance from access roads. Project has been handed over to property management to assist with Identification and procurement

Various indicators

46. I could not determine the accuracy of various reported achievements, as I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining whether the targets have been achieved. Lastly, measures aimed at improving performance against targets were reported. I could, however, not determine whether the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.

Indicators	Reported targets	Reported achievements	Corrective measure
ENV3.11 Percentage of recognised informal settlements receiving basic waste removal services	95% of informal settlements receive basic waste removal services	74% informal settlements receiving basic waste removal services	A request fleet management to improve turnaround time for repairs and maintenance. Decentralisation of fleet maintenance budget –availability of fuel at all times
Percentage of households receiving basic refuse removal services	95%	85% households receiving basic refuse removal services	A request for fleet management to improve turnaround time for repairs and maintenance. Decentralisation of fleet maintenance budget. Availability of fuel at all times
TR6.12 Percentage of surfaced municipal road lanes which have been resurfaced and resealed	60,13%	0%	Nine contractors appointed, and contractors are on site, and progress on resurfacing is continuing
TR6.21 Percentage of reported pothole complaints resolved within standard municipal response time	100%	59,59%	The contract for acquiring asphalt is complete, and work is in progress, and the municipality is working towards a plan to increase its maintenance budget
WS3.21 Percentage of callouts responded to within 48 hours (water)	88%	87,5%	Increase number of teams to attend to callouts

Other matters

47. I draw attention to the matters below.

Achievement of planned targets

48. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

49. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 35 - 65.

Basic service delivery

<i>Targets achieved: 50%</i>		
<i>Budget spent: 113%</i>		
Key service delivery indicators not achieved	Planned target	Reported achievement
ENV3.11 Percentage of recognised informal settlements receiving basic waste removal services	95%	74%
ENV5.21 Number of inland water samples tested for monitoring purposes	2 000	31
HS1.12 Number of serviced sites	264	38
WS1.11 Number of new sewer connections meeting minimum standards	462	232
WS2.11 Number of new water connections meeting minimum standards	1 083	0
HS1.31 Number of informal settlements assessed (enumerated and classified)	8	0
HS1.32 Number of informal settlements upgraded to phase 2	7 of 53	2
TR6.12 Percentage of surfaced municipal road lanes which has been resurfaced and resealed	60,13%	0,0
TR6.13 Kms of new municipal road network	3,34km	0km
TR 6.21 Percentage of reported pothole complaints resolved within standard municipal response time	100%	59,59%
WS3.21 Percentage of callouts responded to within 48 hours (water)	88%	87,50%
WS4.31 Percentage of wastewater treatment capacity unused	Installation of meters	0%
WS5.21 Infrastructure leakage index	8,7	4,80
WS5.31 Percentage of total water connections metered	80%	76%
EE3.11 Percentage of unplanned outages that are restored to supply within industry-standard time-frames	a) After unplanned interruptions which affect more than one customer, i.e., multiple customer interruption/outage, the customers' supply should be restored within 24 hours as per NERSA requirement: 98%	95,72%
	b) After an unplanned interruption which affects a single, i.e., individual customer interruption/outage, the customers' supply should be restored within 24h as per NERSA requirement: 98%	84,29%

Material misstatements

50. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery. Management did not correct all of the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

51. 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 group's compliance with legislation.

52. 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.

53. 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 group, 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.

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

Financial statements and annual reports

55. 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 non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

56. The council failed to adopt an oversight report containing the council's comments on the 2023-24 annual report, as required by section 129(1) of the MFMA.

Procurement and contract management

57. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. A similar limitation was also reported in the prior year.

58. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. A similar limitation was also reported in the prior year.

Expenditure management

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

60. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R323 866 758, as disclosed in note 71, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM requirements and recurring expenditure from contracts that were reported as irregular in prior financial years.

61. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R67 236 418, as disclosed in note 70 to the consolidated 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 paid due to late payments to suppliers.

62. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R1 355 234 916, as disclosed in note 69 to the consolidated financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending the budget.

Utilisation of conditional grants

63. Performance in respect of programmes funded by the public transport network grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

64. Performance in respect of programmes funded by the neighbourhood development partnership grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Dora.

Consequence management

65. Unauthorised expenditure incurred by the group was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
66. Irregular expenditure incurred by the group was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
67. Fruitless and wasteful expenditure incurred by the group was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
68. Allegations of financial misconduct made against officials of the group were not investigated, as required by section 171(4)(a) of the MFMA.
69. Allegations of financial misconduct made against officials of the group were not investigated by the disciplinary board, the relevant treasury or an independent investigator or team of investigators appointed by the council, as required by municipal regulations on financial misconduct procedures and criminal proceedings 5(4).
70. Appropriate action was not taken against officials of the group where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and criminal proceedings 6(8).
71. Cases of financial misconduct, which constitute a crime committed by officials, were not always reported to the South African Police Service, as required by the municipal regulations on financial misconduct procedures and criminal proceedings 10(1).

Strategic planning and performance management

72. The performance management system and related controls were inadequate as established processes for performance planning, monitoring, measurement, review and reporting were not implemented as required by municipal planning and performance management regulation 7(1).

Revenue management

73. An adequate management, accounting and information system, which accounts for revenue and debtors, was not in place, as required by section 64(2)(e)(i) and (ii) of the MFMA.
74. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
75. Revenue due to the group was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.
76. Accounts for municipal tax and charges were not prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

Asset management

77. An adequate management, accounting and information system, which accounts for assets, was not in place, as required by section 63(2)(a) of the MFMA.
78. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

Human resource management

79. Financial interests were not disclosed by the municipal manager within 60 days from the date of appointment, as required by regulation 36(1)(a) on appointment and conditions of employment of senior managers.
80. Financial interests were not disclosed by the senior managers within 60 days from the date of appointment, as required by regulation 36(1)(a) on appointment and conditions of employment of senior managers.

81. Job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the Municipal Systems Act 32 of 2000 (MSA) and regulation 7(1) of Municipal Staff Regulations.

82. Appropriate systems and procedures to monitor, measure and evaluate the performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of Municipal Staff Regulations.

Environmental management

83. The Botshabelo, Thaba Nchu, Bloemindustria, Bainsvlei, Northern Works, Welvaart, Bloemspruit, Dewetsdorp, Wepener, Soutpan and Vanstadensrus wastewater treatment works did not have valid operating licences, as required by section 22(1)(b) of the National Water Act 36 of 1998.

84. The Bloemspruit, Bloemindustria, Northern Works, Botshabelo, Thaba Nchu, Bainsvlei, Welvaart, Sterkwater, North Eastern Works, Dewetsdorp, Wepener, Soutpan and Van Stadensrus wastewater treatment works were not safeguarded and maintained to prevent defective, depleted, malfunctioning, misused, vandalised infrastructure and theft to operate as intended as required by section 63(1)(a) of the MFMA.

85. The Wepener and Northern solid waste management facilities did not have valid operating licences, as required by section 20(b) of the National Environmental Management: Waste Act 59 of 2008.

Other information in the annual report

86. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated financial statements, the auditor's report and the selected KPA presented in the annual performance report that has been specifically reported on in this auditor's report.

87. My opinion on the consolidated financial statements, and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

88. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements and the selected KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

89. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

90. I considered internal control relevant to my audit of the consolidated financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

91. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

92. There has been a slow response by the council and accounting officer to address governance concerns within the group, caused by the lack of consequence management, and this resulted in repeat material findings relating to the consolidated financial statement, annual performance report and compliance with legislation.

93. The accounting officer and the Municipal Public Accounts Committee (MPAC) did not enforce consequence management for misconduct, non-performance and financial irregularities, as required by the MFMA and municipal disciplinary regulations. The council did not investigate unauthorised, irregular, fruitless and wasteful expenditure and adequately act on reported material irregularities or discipline officials, while corrective measures in the audit action plan were not monitored or implemented. This lack of enforcement normalised underperformance, and increased material irregularities resulted in repeat findings and ongoing non-compliance.

94. The accounting officer and senior management inadequately addressed material weaknesses and did not take corrective action to ensure that the administration and management of overtime were addressed, as there are no approved policies or adequate standard operating procedures in place to address the weaknesses identified. The lack of proper processes, procedures and internal controls resulted in material findings included in this report.

95. The council, accounting officer and senior management did not prioritise and apply standard operating procedures to manage performance reporting, including the safeguarding of information and effective monitoring and evaluation of reported performance information against the set indicators, resulting in repeat material findings in the annual performance report for several years.

96. The accounting officer and senior managers did not implement internal audit and audit committee recommendations, nor did they track or enforce corrective actions, resulting in repeat findings and control weaknesses persisting across multiple years.

97. The accounting officer and senior management did not establish effective standard operating procedures and internal controls that assist them in exercising their oversight responsibility, regarding compliance with laws and regulations, resulting in repeated material non-compliance included in this report.

98. Senior management's lack of detailed review of the underlying records, which are used to prepare the consolidated financial statements, resulted in material misstatements; these misstatements were not detected and corrected or prevented by the group's internal processes. The corrected misstatements resulted in material non-compliance included in this report, while supporting records that could not be provided and uncorrected misstatements resulted in the qualified opinion included in this report.

99. The accounting officer and senior managers failed to implement internal controls requiring credible planning, monitoring and evaluation of departmental performance, resulting in performance management controls not being executed, delayed key service delivery projects, budget overspending, infrastructure collapse and unmet service delivery objectives. This resulted in repeated misalignment between budget spending and the actual achievement of targets included in this report.

Material irregularities

100. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities identified during the audit

101. The material irregularities identified are as follows:

Reasonable steps were not taken to recover overpayments made to the supplier

102. The municipality accounted for fruitless and wasteful expenditure of R23 228 384 relating to the overpayment made to suppliers from October 2016 to December 2022, as disclosed in note 63 of the financial statements for the year ending 30 June 2024. The municipality did not take steps to recover these overpayments from the relevant suppliers. It was identified that the internal controls established relating to debt recovery did not address the processes and standard operating procedures to follow to recover debt due to overpayments made to suppliers, and were therefore not effective and efficient, as required by section 62(1)(c)(i) of the MFMA. The non-compliance is likely to result in a material financial loss for the municipality if overpayments made to suppliers are not recovered.

103. I notified the accounting officer of the material irregularity on 20 January 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the Special Investigating Unit (SIU) on 11 September 2025 for investigation as provided for in section 5(1A) of the PAA. The SIU acknowledged the referral on the same day, and the matter is under assessment for further investigation.

104. I further notified the accounting officer on 12 August 2025 of the following recommendations, which should be implemented by 12 March 2026, with a progress report after three months:

- Appropriate action should be taken to develop and commence with the implementation of an action plan. The plan should include anticipated timeframes and address the following as a minimum:

- (a) Enhancing the existing internal controls governing the recovery of overpayments made to suppliers, including the implementation of standard operating procedures that would prescribe the roles and responsibilities relating to the recovery of overpayments from suppliers.
- (b) Enhancing processes to confirm that goods and/or services have been received prior to processing and payment of invoices.

105. I will follow up on the implementation of the recommendations after the due date.

Poor management of the Botshabelo waste landfill site

106. The municipality has been operating the Botshabelo waste landfill site in a manner that is not in compliance with its licence conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control and inadequate separation of waste disposed at the site, improper or no compacting and cover to limit gas emission impacting on air quality, spontaneous combustions and fires posing safety risks and air pollution, a lack of stormwater management and leachate detection to prevent continued contamination of the soil and groundwater and no proper air, water and effluent sampling points to monitor air and water pollution.
107. The municipality consequently did not dispose of and treat waste in an environmentally sound manner and in a manner that does not endanger health or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008 (NEMWA). The municipality further did not take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring, as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA). The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, communities adjacent to the landfill site, as well as those exposed to and dependent on the groundwater resources.
108. I notified the accounting officer of the material irregularity on 13 February 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the Department of Forestry, Fisheries and the Environment (DFFE) on 11 September 2025 for investigation as provided for in section 5(1A) of the PAA. On 25 September 2025, DFFE referred the material irregularity to the Free State Department of Economic, Small Business Development, Tourism and Environmental Affairs (Destea) for further investigation. The referral was accepted by Destea on 11 November 2025, and the investigation is in progress.

Poor management of the Wepener waste landfill site

109. The municipality has been operating the Wepener waste landfill site in a manner that is not in compliance with its licence conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control and inadequate separation of waste disposed at the site, improper or no compacting and cover to limit gas emission impacting on air quality, spontaneous combustions and fires posing safety risks and air pollution, a lack of stormwater management and leachate detection to prevent continued contamination of the soil and groundwater and no proper air, water and effluent sampling points to monitor air and water pollution.
110. The municipality consequently did not dispose of and treat waste in an environmentally sound manner and in a manner that does not endanger health or the environment as required by section 16(1) of the NEMWA. The municipality further did not take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring, as required by section 28(1) of the NEMA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, communities adjacent to the landfill site, as well as those exposed to and dependent on the groundwater resources.
111. I notified the accounting officer of the material irregularity on 31 October 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer failed to make the written submission within the stipulated period. I am in the process of making a decision on further actions to be taken.

Poor management of the Dewetsdorp waste landfill site

112. The municipality has been operating the Dewetsdorp waste landfill site in a manner that is not in compliance with its licence conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control and inadequate separation of waste disposed at the site, improper or no compacting and cover to limit gas emission impacting on air quality, spontaneous combustions and fires posing safety risks and air pollution, a lack of stormwater management and leachate detection to prevent continued contamination of the soil and groundwater and no proper air, water and effluent sampling points to monitor air and water pollution.

113. The municipality consequently did not dispose of and treat waste in an environmentally sound manner and in a manner that does not endanger health or the environment, as required by section 16(1) of the NEMWA. The municipality further did not take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring, as required by section 28(1) of the NEMA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, communities adjacent to the landfill site, as well as those exposed to and dependent on the groundwater resources.
114. I notified the accounting officer of the material irregularity on 31 October 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer failed to make the written submission within the stipulated period. I am in the process of making a decision on further actions to be taken.

Poor management of the Van Stadensrus waste landfill site

115. The municipality has been operating the Van Stadensrus waste landfill site in a manner that is not in compliance with its licence conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control and inadequate separation of waste disposed at the site, improper or no compacting and cover to limit gas emission impacting on air quality, spontaneous combustions and fires posing safety risks and air pollution, a lack of stormwater management and leachate detection to prevent continued contamination of the soil and groundwater and no proper air, water and effluent sampling points to monitor air and water pollution.
116. The municipality consequently did not dispose of and treat waste in an environmentally sound manner and in a manner that does not endanger health or the environment as required by section 16(1) of the NEMWA. The municipality further did not take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring, as required by section 28(1) of the NEMA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, communities adjacent to the landfill site, as well as those exposed to and dependent on the groundwater resources.
117. I notified the accounting officer of the material irregularity on 31 October 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer failed to make the written submission within the stipulated period. I am in the process of making a decision on further actions to be taken.

Government debt handed over to a debt collector in contravention of the municipality's credit control and debt collection policy

118. During April 2021, the municipality established a panel of legal advisers and firms of legal practitioners for a period of three years. On 29 August 2023, an official issued an instruction letter to one of the suppliers on the panel, whereby the supplier was appointed "...to collect the debt or all amounts owed by Free State Provincial Government, national government and businesses to the municipality for water consumption, municipal service fees, surcharges of fees, property rates and other municipal taxes, levies and duties ...". It was further stated that the fees for professional services rendered in this matter will be commission based calculated at a rate of 15% of the money collected or received.
119. The instruction issued to the supplier to collect government debt was in contravention of the municipality's credit control and debt collection policy, which states that government debt will not be handed over to debt collectors. The official that issued the instruction to the supplier consequently did not take all reasonable steps within his/her respective area of responsibility to ensure that the internal controls established for the municipality are carried out diligently, as required by section 78(1)(a) of the MFMA.
120. Based on the municipality's records, the supplier collected R72 996 989 in government debt on behalf of the municipality since August 2023 to July 2025, with R58 496 989 still owed to the municipality on 31 July 2025. The non-compliance has resulted in a material financial loss of R10 949 548 by 31 July 2025 and is likely to result in further material financial losses for the municipality, due to the obligation to pay 15% commission on amounts collected, which should not have been handed over for collection. In addition, the non-compliance is likely to result in further material financial losses for the municipality if the amounts collected by the service provider are not paid over to the municipality.
121. I notified the accounting officer of the material irregularity on 11 September 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of making a decision on further actions to be taken.

Reasonable steps not taken to ensure that the municipality has and maintains effective and efficient internal controls over the management and payment of overtime

122. It was identified that the municipality does not have an approved and implemented overtime policy and standard operating procedures regarding the management and payment of overtime worked by its officials. This process is currently governed by the Conditions of Service and Circular No. 1/2023: *Collective agreement on conditions of service for the Free State division of the SALGBC*; however, critical aspects regarding the management and payment of overtime are not adequately prescribed, resulting in the system of internal controls not being effective and efficient, as required by section 62(1)(c)(i) of the MFMA. Shortcomings identified regarding the current system of internal control include:
- the level of approval required before overtime is worked, as well as the supporting evidence to be maintained as proof thereof, is not prescribed.
 - payments for overtime are processed without documentary evidence that the overtime has been worked. The minimum documentation required for payment is currently not prescribed.
 - the current payment internal control checklist does not consider whether the overtime is necessary, appropriate and economical.
 - a needs analysis and budgetary consideration are not performed by each directorate before the overtime is approved.
123. The non-compliance is likely to result in a material financial loss for the municipality if overtime payments are made to employees who were not entitled to it and the municipality thus did not benefit from the payments.
124. I notified the accounting officer of the material irregularity on 17 March 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of making a decision on further actions to be taken.

An invoice for the replacement of CCTV cameras was certified for payment by officials, even though only repair work has been done

125. On 29 November 2024, the accounting officer approved a request to deviate from the prescribed SCM process for the servicing, repairs, installation and maintenance of closed-circuit television cameras (CCTV) network surveillance. The municipality accepted a quotation from a supplier (dated 31 October 2024) at a cost of R3 787 022,39 (VAT inclusive). The supplier quoted the municipality for the service of 69 CCTV cameras and the installation of 148 new cameras.
126. The service provider submitted an invoice to the municipality (dated 28 February 2025) amounting to R3 787 022,39 (VAT inclusive), for the service of 69 CCTV cameras and installation of 148 new cameras. In support of the invoice, the service provider submitted job cards on the work performed relating to the individual CCTV cameras; however, only 169 job cards were submitted, and all indicated that the cameras were repaired and not replaced. The municipality processed the invoice and made a payment to the service provider on 31 March 2025. Contrary to the requirements of section 78(1)(a) of the MFMA, the officials who certified the internal goods received note, payment authorisation form and the supplier delivery note as proof that the goods and services were delivered and that payment can be processed, did not carry out the internal controls of the municipality diligently. The non-compliance is likely to result in a material financial loss for the municipality if appropriate steps are not taken to recover the overpayment made to the supplier.
127. I notified the accounting officer of the material irregularity on 31 October 2025 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer failed to make the written submission within the stipulated period. I am in the process of making a decision on further actions to be taken.

Material irregularities in progress

128. I identified another material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in next year's auditor's report.

Status of previously reported material irregularities

Construction of trunk routes for IPTN roads infrastructure network phase 1C Chief Moroka link route – payment for extension of time not in terms of the contract

129. The municipality entered into a contract with a contractor for the construction of trunk routes for the integrated public transport network (IPTN) roads infrastructure network: phase 1C Chief Moroka link route. During November 2019 and October 2020, the contractor submitted extension of time claims totalling R2 987 553 for delays experienced on the project. However, the claims were not submitted within the stipulated timeframe as outlined in the contract; consequently, the contractor was not entitled to additional payment and discharged the municipality of all liability in relation to these claims. An official of the municipality recommended the claims for payment, even though the municipality had no contractual obligation to pay for the extension of time. The official consequently did not ensure the economic use of the financial resources of the municipality, as required by section 78(1)(b) of the MFMA. The payment of these claims resulted in a material financial loss of R2 987 553 for the municipality, which was disclosed as part of the fruitless and wasteful expenditure in the notes to the 2020-21 financial statements.
130. The accounting officer was notified of this material irregularity on 29 April 2022. The accounting officer did not take appropriate action to resolve the material irregularity. I recommended that the accounting officer should take the following actions to address the material irregularity, which should have been implemented by 28 January 2024:
- (a) The non-compliance should be investigated to determine whether any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
 - (b) All entities and/or person(s) liable for the losses should be identified, and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
 - (c) Disciplinary proceedings should commence without undue delay against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (d) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (e) If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this should be reported to the South African Police Service, as required by section 32(6)(b) of the MFMA.
131. The accounting officer has not adequately implemented or made satisfactory progress with the implementation of the above recommendations. I issued a directive to the accounting officer to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible person(s) by 24 August 2025. In addition, I notified the accounting officer on 24 April 2025 of the following remedial actions to address the material irregularity, which also had to be implemented by 24 August 2025, with a progress report after two months:
- (a) The non-compliance must be investigated to determine whether any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
 - (b) All entities and/or person(s) liable for the losses must be identified, and appropriate action must commence to recover the financial loss. The recovery process must not be unduly delayed.
 - (c) Disciplinary proceedings must commence without undue delay against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (d) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

(e) If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this must be reported to the South African Police Service, as required by section 32(6)(b) of the MFMA.

132. In support of the actions taken in implementing the remedial actions and execution of the directive, the accounting officer submitted a progress report on 7 July 2025 and a final response on 25 August 2025. The final response was without substantiating documentation, and the accounting officer was provided with an opportunity to submit a revised response with substantiating documentation, which was submitted on 15 September 2025. I determined that the accounting officer has not adequately implemented or made satisfactory progress with the implementation of the remedial actions and executing the directive.
133. I notified the accounting officer on 26 November 2025 of my consideration to issue a certificate of debt and invited the accounting officer to submit a written representation to me on the matter.

Reasonable steps not taken to safeguard zoo animals

134. The accounting officer did not ensure that all reasonable steps had been taken to safeguard the municipality's zoo animals, as required by section 63(2)(c) of the MFMA. Some of these animals could not be located and verified during the 2021-22 year-end asset verification process, resulting in the municipality impairing these assets. The impairment resulted in a material financial loss of R1 761 416 for the municipality, which was disclosed as an impairment loss in note 46 to the 2021-22 financial statements.
135. The accounting officer was notified of this material irregularity on 3 November 2022. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material to the Public Protector South Africa (PPSA) on 18 March 2024 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the PPSA on 26 August 2024, and the investigation is currently in progress. I further recommended that the accounting officer should take the following actions to address the material irregularity, which should have been implemented by 8 July 2024, and report progress within three months:
- (a) Investigate the non-compliance in terms of chapter 15 of the MFMA, to determine whether any official was responsible for the failure to safeguard the municipal assets, which led to the municipality losing custodianship of the animals, including the possible theft of the 79 animals.
 - (b) Disciplinary proceedings should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (c) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceeding.
 - (d) Reasonable steps should be taken to safeguard the biological assets in the custody of the municipality from any further losses as required by section 63(1)(a) of the MFMA.
 - (e) If it appears that the municipality suffered a financial loss through theft, this should be reported to the South African Police Service, as required by section 32(6)(b) of the MFMA.
136. The accounting officer has not adequately implemented or made satisfactory progress with the implementation of the above recommendations. I notified the accounting officer on 24 April 2025 of the following remedial actions to address the material irregularity, which must have been implemented by 24 October 2025, with a progress report after two months:
- Reasonable steps must be taken to develop and commence with an implementation plan, to address the safeguarding of biological assets from any further losses, as required by section 63(1)(a) of the MFMA. The plan must include anticipated timeframes and address the following key areas as a minimum:
 - a. Strategy on how the municipality will deal with the zoo and the biological assets in custody.
 - b. Prevention of further losses relating to biological assets as it relates in addressing control weaknesses.
137. In support of the actions taken in implementing the remedial actions, the accounting officer submitted a progress report on 7 July 2025 and a final response on 27 October 2025. I determined that the accounting officer has not adequately implemented or made satisfactory progress with the implementation of the remedial actions. I am in the process of making a decision on further actions to be taken.

Construction of new community hall in Thaba Nchu – payment for contract price adjustments due to professional services not being available

138. During March 2020, the municipality appointed professional service providers from an existing panel of service providers for quantity surveying, structural engineering and architectural services for the construction of a new community hall in Thaba Nchu Community Centre. The appointment term of the service providers on the panel was from 15 January 2020 to 14 January 2023. During June 2022, the municipality appointed a contractor for this project, with a contract period of 18 months. Due to the delay in the appointment of the contractor to this project, the contract period of the contractor was not aligned with the contract period of the professional service providers.
139. The accounting officer extended the appointment term of the professional service providers to 8 March 2023 and again to 31 July 2023; however, there were periods during which there were no professional services appointed for the project, resulting in delays experienced by the contractor. Contrary to the requirements of 62(1)(a) of the MFMA, all reasonable steps were not taken to ensure that professional services are available on the project, to ensure that the resources of the municipality are used in an economic manner.
140. The contractor subsequently submitted two claims totalling R3 603 622,99 for contract price adjustments due to professional services not being available on the project, resulting in delays experienced by the contractor. The claims were paid by the municipality on 26 May 2023 and 14 June 2023, respectively, resulting in a financial loss for the municipality, as there was no benefit obtained from these payments.
141. I notified the accounting officer of the material irregularity on 3 June 2024 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I notified the accounting officer on 4 December 2024 of the following recommendations, which should have been implemented by 4 July 2025, with a progress report after three months:
- (a) The non-compliance should be investigated to determine the root cause and to determine whether any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of MFMA.
 - (b) Appropriate action should be taken to develop and commence with the implementation of an action plan to address the root causes identified through the investigation and prevent further losses. The plan should include anticipated timeframes and address the following as a minimum:
 - Processes to remedy the existing or prevent future misalignment of professional service providers' appointments and contract periods.
 - Monitoring the performance of contractors as required by section 116(2) of the MFMA.
 - (c) The full financial loss should be quantified, and all person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
 - (d) Disciplinary proceedings should commence without undue delay against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (e) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceeding.
142. The accounting officer has not adequately implemented or made satisfactory progress with the implementation of the above recommendation. I am in the process of making a decision on further actions to be taken.

Construction of fire station in Botshabelo – payment for contract price adjustments due to professional services not being available

143. During March 2020, the municipality appointed professional service providers from an existing panel of service providers for quantity surveying, structural engineering and architectural services for the construction of a fire station in Botshabelo. The appointment term of the service providers on the panel was from 15 January 2020 to 14 January 2023. During June 2022, the municipality appointed a contractor for this project, with a contract period of 18 months. Due to the delay in the appointment of the contractor to this project, the contract period of the contractor was not aligned with the contract period of the professional service providers.

144. The accounting officer extended the appointment term of the professional service providers to 8 March 2023 and again to 31 July 2023; however, there were periods when there were no professional services appointed for the project, resulting in delays experienced by the contractor. Contrary to the requirements of 62(1)(a) of the MFMA, all reasonable steps were not taken to ensure that professional services are available on the project, to ensure that the resources of the municipality are used in an economic manner.
145. The contractor subsequently submitted two claims totalling R1 894 739,13 for contract price adjustments due to professional services not being available on the project, resulting in delays experienced by the contractor. The claims were paid by the municipality on 13 December 2023 and 7 June 2023, respectively, resulting in a financial loss for the municipality as there was no benefit obtained from these payments.
146. I notified the accounting officer of the material irregularity on 5 June 2024 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I notified the accounting officer on 4 December 2024 of the following recommendations, which should have been implemented by 4 July 2025, with a progress report after three months:
- (a) The non-compliance should be investigated to determine the root cause and to determine whether any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of MFMA.
 - (b) Appropriate action should be taken to develop and commence with the implementation of an action plan to address the root causes identified through the investigation and prevent further losses. The plan should include anticipated timeframes and address the following as a minimum:
 - Processes to remedy the existing or prevent future misalignment of professional service providers' appointments and contract periods.
 - Monitoring the performance of contractors, as required by section 116(2) of the MFMA.
 - (c) The full financial loss should be quantified, and all person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
 - (d) Disciplinary proceedings should commence without undue delay against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (e) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury, as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceeding.
147. The accounting officer has not adequately implemented or made satisfactory progress with the implementation of the above recommendation. I am in the process of making a decision on further actions to be taken.

Installation of internal services Vista Park Extension 3 – contractual obligations not settled within 30 days

148. The municipality entered into an agreement with a developer in December 2021 for the installation of internal services for Vista Park Extension 3. The project was funded from the informal settlement upgrading partnership grant. In terms of clause 4.3.4 of the agreement entered into, all progress payments shall be made by the municipality to the developer within 30 days of the issuing of the payment certificate.
149. During June 2023, the developer submitted a payment certificate to the municipality, which included interest charges of R1 570 727,13. The interest charges related to previous payment certificates of the developer, which were not settled within 30 days as required by clause 4.3.4 of the agreement and section 65(2)(e) of the MFMA. The late payment of payment certificates is likely to result in a financial loss of R1 570 727,13 for the metro, due to the liability to pay interest to the developer.
150. I notified the accounting officer of the material irregularity on 14 June 2024 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I notified the accounting officer on 4 December 2024 of the following recommendations, which should have been implemented by 4 July 2025, with a progress report after three months:

- (a) The non-compliance should be investigated to determine the root cause and to determine whether any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of MFMA.
- (b) The full financial loss should be quantified, and all person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
- (c) Disciplinary proceedings should commence without undue delay against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
- (d) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceeding.

151. The accounting officer has not adequately implemented or made satisfactory progress with the implementation of the above recommendation. I am in the process of making a decision on further actions to be taken.

Reasonable steps not taken to prevent fuel losses

152. The municipality has accounted for losses on its fuel inventory during the 2019-20 to 2022-23 financial years as follows:

Financial year	Fuel losses
2022-23	R1 124 393
2021-22	R2 008 202
2020-21	R4 483 763
2019-20	R1 914 097
Total loss	R9 530 455

153. Irrespective of fuel inventory losses being incurred on an annual basis, the accounting officer did not take all reasonable steps to prevent these losses from occurring, as required by section 62(1)(d) of the MFMA. Investigations were not conducted to determine the reasons for the losses, standard operating procedures were not developed and implemented for the management of fuel inventory and there was a lack of maintenance of fuel storage and distribution infrastructure. The fuel inventory losses are likely to result in a financial loss for the municipality.
154. I notified the accounting officer of the material irregularity on 27 November 2023. The accounting officer did not take appropriate action to resolve the material irregularity. I notified the accounting officer on 4 December 2024 of the following recommendations, which should have been implemented by 4 July 2025, with a progress report after three months:
- (a) The non-compliance should be investigated to determine the root cause of the fuel losses and if any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
 - (b) The financial loss should be quantified, and all person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
 - (c) Reasonable steps should be taken to implement expenditure controls for the provision of fuel services to prevent further losses, as required by section 62(1)(d) of the MFMA.
 - (d) Disciplinary proceedings should commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (e) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- (f) If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this should be reported to the South African Police Service, as required by section 32(6)(b) of the MFMA.

155. The accounting officer provided progress reports on 7 April 2025, 9 May 2025 and 2 June 2025, respectively. Shortcomings were noted in the progress reports that were duly communicated to the accounting officer. The accounting officer subsequently submitted a final response with substantiating documentation on 4 July 2025 and 8 July 2025, respectively. Based on the assessment of the representations and substantiating documentation provided, I concluded that the recommendations had not been adequately implemented, and the material irregularity had not been appropriately addressed. I am in the process of making a decision on further actions to be taken.

The municipality's information technology assets not adequately maintained and safeguarded

156. In May 2021, the municipality appointed a service provider for cybersecurity enterprise data protection and cybersecurity solutions and management. The service provider performed an assessment of the municipality's security infrastructure and communicated to management findings that should be addressed and mitigating processes to be implemented to avoid cybersecurity attacks. The AGSA also reported various shortcomings relating to the safeguarding and lack of maintenance of the information technology assets of the municipality for the past financial years, including the 2022-23 financial year. The shortcomings communicated to management included:

- a lack of cybersecurity guidance documents.
- no vulnerability management and cybersecurity risk management process.
- inadequate business continuity plan and disaster recovery.
- insecure configurations and principles of least functionality.

157. Irrespective of the findings raised and recommendations made by the AGSA and the service provider, management did not take proactive measures to strengthen the information technology systems, and consequently did not adequately safeguard and maintain the municipality's information technology assets as required by section 63(1)(d) of the MFMA.

158. In October 2023, a security breach of the municipality's information technology network occurred, which immediately rendered all information technology applications used by the municipality inoperable, including its financial system, human resource management system and communications systems. The financial system was fully restored on 18 January 2024, while the other systems were restored on 30 November 2023. This cyberattack disrupted the operations of the municipality and is likely to result in substantial harm to the municipality when it is unable to provide services to its community.

159. I notified the accounting officer of the material irregularity on 17 July 2024 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I notified the accounting officer on 4 December 2024 of the following recommendations, which should have been implemented by 4 July 2025, with a progress report after three months:

- (i) The non-compliance should be investigated to determine the root cause for the non-compliance and to identify officials that might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
- (ii) Based on the root causes identified, appropriate action should be taken to develop and commence with the implementation of a cybersecurity framework supported by an adequate action plan(s) to ensure the safeguarding and maintenance of the municipality's information and communication technology assets, as required by section 63(1)(a) of the MFMA. The plan should include anticipated timeframes for the following key areas as a minimum:
 - (a) Service continuity and disaster recovery.
 - (b) Determining the appropriate information and communication technology (ICT) personnel structure, filling ICT vacancies and continuously developing the skills of ICT personnel.
 - (c) A cybersecurity awareness programme.
 - (d) Processes for threat detection.
 - (e) A register for cyber incidents.
 - (f) Implement key information technology (IT) general controls for immediate compliance and stability.
 - (g) Terms of reference for the ICT steering committee.
 - (h) The review and updating of the ICT policies and procedures.

- (iii) Disciplinary proceedings should commence without undue delay against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (iv) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
160. The accounting officer submitted a progress report on the implementation of the recommendations on 8 April 2025 and a final response and substantiating documents on 4 July 2025. I assessed the written responses and substantiating documentation provided and concluded that appropriate actions are being taken to address the material irregularity, but some actions are still in progress and not yet completed. On 28 November 2025, I notified the accounting officer of the decision to grant additional time to continue with the implementation of recommendations. The accounting officer must provide a progress report on 27 January 2026 and a final response, with substantiating documentation on 27 February 2026.

Employer pension fund contributions not paid in accordance with the rules of the pension fund

161. The South African Local Authorities Pension Fund (pension fund) changed its rule on employer contributions with effect from 1 April 2021, increasing the employer contributions from 20,78% to 22,78%. The municipality as employer, however, continued to contribute only at a rate of 20,78% (and not at the increased rate of 22,78%), therefore not paying the full employers' contribution as per the pension fund rules as required by section 13A(3)(a) of the Pension Funds Act No. 24 of 1956. The pension fund consequently charged interest of R3 792 707,02 on the arrears portion of the employer's contribution for the period 1 April 2021 to 31 October 2024. The non-compliance is likely to result in a material financial loss for the municipality due to the liability to pay interest to the pension fund.
162. I notified the accounting officer of the material irregularity on 20 November 2024 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I notified the account officer on 27 November 2025 of the following recommendations, which should be implemented by 27 April 2026, and report progress after two months:
- (a) The non-compliance should be investigated to determine the root cause and to determine whether any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of MFMA.
 - (b) Appropriate action should be taken to develop and commence with the implementation of an action plan to address the root causes identified through the investigation and prevent further losses.
 - (c) All person(s) liable for the losses should be identified, and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
 - (d) Disciplinary proceedings should commence without undue delay against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - (e) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer should report the allegation to the municipal council, the provincial treasury and the National Treasury as required by regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceeding.
163. I will follow up on the implementation of the recommendations after the due date.

Pollution of water resources not prevented – Botshabelo wastewater treatment works

164. The Botshabelo wastewater treatment works has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewerage into the adjacent environment, including the groundwater, the Klein Modder River and its extended watercourse. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.

165. The accounting officer was notified of this material irregularity on 20 October 2022. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the Department of Water and Sanitation (DWS) on 27 February 2024 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on the same day, and the investigation is currently in progress.

Pollution of water resources not prevented – Sterkwater wastewater treatment works

166. The Sterkwater wastewater treatment works has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewerage into the adjacent environment, including the groundwater, the Renosterspruit and its extended watercourse. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.
167. The accounting officer was notified of this material irregularity on 20 October 2022. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the DWS on 27 February 2024 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on the same day, and the investigation is currently in progress.

Pollution of water resources not prevented – Thaba Nchu wastewater treatment works

168. The Thaba Nchu wastewater treatment works has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewerage into the adjacent environment, including the groundwater, the Sepane River, the Modder River and its extended watercourse. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring, as required by section 28(1) of the NEMA and section 19(1) of the National Water Act 36 of 1998 NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to and dependent on the contaminated water resources.
169. I notified the accounting officer of the material irregularity on 11 March 2024 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. I determined that the accounting officer is not taking appropriate action to resolve the material irregularity. I referred the material irregularity to the DWS on 14 April 2025 for investigation as provided for in section 5(1A) of the PAA. The referral was accepted by the DWS on the same day, and the investigation is currently in progress.

Poor management of the Southern landfill site

170. The municipality has been operating the Southern waste landfill site in a manner that is not in compliance with its licence conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control and inadequate separation of waste disposed at the site, improper or no compacting and cover to limit gas emission impacting on air quality, spontaneous combustions and fires posing safety risks and air pollution, a lack of stormwater management and leachate detection to prevent continued contamination of the soil and groundwater and no proper air, water and effluent sampling points to monitor air and water pollution.
171. The municipality consequently did not dispose of and treat waste in an environmentally sound manner and in a manner that does not endanger health or the environment as required by section 16(1) of the NEMWA. The municipality further did not take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring, as required by section 28(1) of the NEMA and section 19(1) of the NWA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, communities adjacent to the landfill site, as well as those exposed to, and dependent on the groundwater resources.
172. The accounting officer was notified of this material irregularity on 10 November 2022. The accounting officer did not take appropriate action to resolve the material irregularity. I referred the material irregularity to the DFFE on 27 March 2024 for investigation as provided for in section 5(1A) of the PAA. On 14 May 2024, DFFE referred the material irregularity to the Destea for further investigation. The referral was accepted by Destea on 2 September 2024, and the investigation is currently in progress.

Poor management of the Northern landfill site

173. The municipality has been operating the Northern waste landfill site in a manner that is not in compliance with its licence conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control and inadequate separation of waste disposed at the site, improper or no compacting and cover to limit gas emission impacting on air quality, spontaneous combustions and fires posing safety risks and air pollution, lack of stormwater management and leachate detection to prevent continued contamination of the soil and groundwater and no proper air, water and effluent sampling points to monitor air and water pollution.
174. The municipality consequently did not dispose of and treat waste in an environmentally sound manner and in a manner that does not endanger health or the environment as required by section 16(1) of the NEMWA. The municipality further did not take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring, as required by section 28(1) of the NEMA and section 19(1) of the NWA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site, communities adjacent to the landfill site, as well as those exposed to and dependent on the groundwater resources.
175. The accounting officer was notified of this material irregularity on 22 January 2024 and invited the accounting officer to make a written submission on the actions taken and those that will be taken to address the matter. I referred the material irregularity to the DFFE on 14 April 2025 for investigation as provided for in section 5(1A) of the PAA. On 21 May 2025, DFFE referred the material irregularity to Destea for further investigation. The referral was accepted by Destea on 22 May 2025, and the investigation is currently in progress.

Other reports

176. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated financial statements or my findings on the reported performance information or compliance with legislation.
177. The SIU received allegations of corruption within the metro police and IPTN at the municipality for the period starting in 2017 to date. However, the municipality has not submitted all the requested documents to the SIU. The SIU is still analysing the partially submitted information to establish the legitimacy of the allegations. These proceedings were still in progress at the date of this auditor's report.
178. An independent consultant was investigating an allegation of improper procurement of buses and appointment or rollout of the infrastructure project for the IPTN for the period starting in the 2015-16 financial year to date. This investigation was tabled in council on 28 February 2024 and noted. On 7 November 2024, the council resolved that disciplinary proceedings must be instituted against all officials implicated in the IPTN investigation who remain employed by the municipality. The council further resolved to refer the investigation report and its recommendations to the Directorate for Priority Crime Investigation (Hawks) for activation and criminal investigation. In addition, a firm of attorneys must be appointed to initiate civil action against implicated individuals and recover any financial losses incurred through the IPTN project. These proceedings were still in progress at the date of this auditor's report.
179. The Hawks were investigating an allegation of overtime payments to VIP bodyguards employed in the offices of the political office-bearers, which covered the period from 2017 to December 2021. These proceedings were still in progress at the date of this auditor's report.
180. The Hawks were investigating allegations of irregularities in the municipality's procurement processes regarding a security service tender awarded for the period 1 March 2019 to 28 February 2021. The outcome was unknown as the investigation report was in progress at the date of this auditor's report.
181. The Hawks are investigating allegations of unverifiable overtime claims paid to municipal staff during the 2022 and 2023 financial years. The investigation was in progress at the date of this auditor's report.
182. The Hawks are investigating allegations of criminality relating to fraudulent payments made for services received in relation to the indigent register, for the period 7 March 2022 until 31 August 2023. Allegations were made that the proper approval process to make the required payments was not followed. The investigation was in progress at the date of this auditor's report.

183. An independent legal firm was appointed to provide a legal opinion on allegations of the irregular appointment and payment of political staff. It is alleged that the political staff were appointed to occupy positions that were not vacant or provided for in the staff establishment for a period of two months starting in January 2022. The investigation was concluded on 25 February 2022 and resulted in the salaries being disclosed as irregular expenditure. The report was issued to the MPAC on 19 April 2022; however, the MPAC has not finalised its own report on this matter.

Auditor-General

Bloemfontein
27 January 2026



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. The annexure includes the following:
 - The auditor-general's responsibility for the audit
 - The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Consolidated financial statements

3. In addition to my responsibility for the audit of the consolidated financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the consolidated 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 group'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 consolidated 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 group 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 consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated 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 the group to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

6. The selected legislative requirements are as follows:

Legislation	Sections and 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), Sections: 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), Sections: 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections: 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), Sections: 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), Sections: 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), Sections: 165(1), 165(2)a, 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), Sections: 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) 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), Regulations: 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), Regulations: 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 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) 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), Sections: 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, Sections: 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
Municipal Systems Act 32 of 2000	Sections: 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b) Parent municipality with ME: Sections: 93B(a), 93B(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4) 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), Regulations: 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
National Environmental Management: Waste Act 59 of 2008	Section: 20(b)
National Water Act 36 of 1998	Section: 22(1)(b)
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) 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), Regulations: 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2017	Regulations: 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)

Component B: Management Comments and Corrective Actions on matters raised by the Auditor General

During the audit process by the auditor General, matters were identified and as such the details thereof are provided on the municipal consolidated audit action plan.

Furthermore, since the introduction of the Financial Management Capability Maturity Model (FMCMM) by National Treasury, which requires the municipality to develop its action plan using the module, the municipality is able to address most of the findings raised by the AGSA. This action plan will provide feedback on the progress made regarding the implementation of the Audit Action Plan as developed in response to the municipal's audit and management reports. Moreover, to provide feedback on the current control environment and corrective measures implemented during the 2024 – 2025 financial year. Below is the number of findings uploaded on the Module and the progress thereof:

Sections	Mangaung (MAN)	2024/2025 Progress	Implementation Status
	Estimated 2023/2024 Findings		
Misstatements in annual financial statements	2	2 in progress	Inception of Shift System to curb Overtime
Misstatements in annual performance report	77	47 in progress	IDP, Budget and SDBIP Alignments and Accurate Reporting with Substantiated POEs. Reduction of KPIs and relevancy to Basic Service Provision. Adherence to the Technical Indicator Description (TIDs)
Non-compliance with laws and regulations	21		Adherence to laws and regulations
Other reported information	24		

An audit action plan was developed, implemented rigorously and monitored with the involvement of all Directorates, Internal Audit, Office of the Auditor-General, Audit and Risk Committee. Furthermore, the progress on the audit action plan was reported to the Executive Management Team (EMT) team on a weekly basis, with critical focus on issues that require collective effort from all user directorates. This progress was also shared with the Office of the Auditor-General who provided continuous feedback. The progress report is usually tabled before the Audit and Risk Committee for deliberation and consideration.

This progress was also shared with the office of the Auditor-General who provided continuous feedback. Implementation of the Audit Action Plan, the findings from the Auditor General's reports are closely monitored to ensure that Management takes corrective action. Internal Audit regularly follows up on unresolved findings to verify that root causes are addressed by Management, preventing recurrence of the control deficiency.



Appendices

Consolidated Annual Report 2024/2025

APPENDICES

APPENDIX A: COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

#	NAME & SURNAME	% Attendance
1	<u>Speaker</u> Cllr Mathae (Bongani Lawrence)	100%
2	<u>Executive Mayor</u> Cllr Nthatisi (Gregory Mosala Solomon)	100%
3	<u>Deputy Executive Mayor</u> Cllr Titi-Odili (Lulama Magdeline)	94.7%
4	<u>Council Whip</u> Cllr Nikelo (Vumile Edwin)	94.7%
5	<u>MPAC Chairperson</u> Cllr IJ Makoloane	84.2%
6	<u>Chairperson Rules Committee</u> Cllr Mokgothu (Tona Kenosi Wilfred)	78.9%
7	<u>Chairperson Petitions and Motions</u> Cllr Morake (Molefi Andries)	100%
8	<u>Chairperson Remunerations</u> Cllr Tladi (Motshewa Martha)	100%
9	<u>Chairperson Public Places and Street Naming</u> Cllr Mogotloane (Thabo Joel)	100%
10	<u>MMC Public Safety</u> Cllr Tsoleli (Sibongile Perm)	94.7%
11	<u>MMC Corporate Services</u> Cllr Letawana (Manthuse Maria)	94.7%
12	<u>MMC Economic Development</u> Cllr Mosala (Mothokung Theodorah)	78.9%
13	<u>MMC Finance</u> Cllr Kruger (Caprice Logan)	94.7%
14	<u>MMC Community Services</u> Cllr Qai (Alfred)	63.1%
15	<u>MMC Rural Development</u> Cllr Twala (Pani Sidney)	68.4%
16	<u>MMC Waste and Fleet Management</u> Cllr Jonas (Vuyelwa Eunice)	100%
17	<u>MMC Infrastructure and Engineering</u> Cllr Soqaga (Vusumzi Simon)	100%
18	<u>MMC Planning and Human Settlements</u> Cllr Nhlapo (Ntombi Anna)	94.7%
19	Cllr Bothma (Andries Francois)	94.7%
20	Cllr Bouwer (Chadwine Lyle)	94.7%
21	Cllr Davies (Maryke)	84.9%
22	Cllr De Bruin (John Mattwes)	94.7%
23	Cllr De-Huis (Dikeledi Jane)	89.4%
24	Cllr De Kock (Valerie Belinda)	89.40%
25	Cllr Denner (John Henry)	73.6%
26	Cllr Dennis (Magdalena Elizabeth)	94.7%
27	Cllr Ferreira (Thomas Ignatius)	68.4%
28	Cllr Klaasen (Raynie Sarah)	94.7%
29	Cllr Letsoko (Mantwa Sanah)	68.4%
30	Cllr Lipale (Gopolang Jeremiah)	78.9%
31	Cllr Makau (Pitso Elias)	89.4%
32	Cllr Malebo (Deliwe Lettia)	78.9%
33	Cllr Maliela (Motiki Edwin)	89.4%
34	Cllr Matobole (Mosala Abel)	94.7%
35	Cllr Matsoetlane (Maditaba Joyce)	100%
36	Cllr Mogotsi (Mamahlope Elisa)	52.6%
37	Cllr Mohlamme (Lebohang Lerato)	84.3%
38	Cllr Mokoena (John Itumeleng)	68.4%
39	Cllr Mongale (Mojalefa William)	84.3%
40	Cllr Moreeng (Kabelo Christopher)	84.3%
41	Cllr Mtshakazane (Eunice Xoliswa)	63.1%
42	Cllr Njiva-Lebajoa (Mamotse)	47.3%

#	NAME & SURNAME	% Attendance
43	Cllr Phohleli (Tsholwane Eddy)	84.3%
44	Cllr Ramatlama (Mpho Joseph)	63.1%
45	Cllr Rammile (Tumelo Kinsley)	89.4%
46	Cllr Rampai (Pule Joseph)	68.4%
47	Cllr Sebolao (Jankie Elisha)	68.4%
48	Cllr Shale (Nkhiseng Reginah)	63.1%
49	Cllr Snyman (Pieter Adriaan)	89.4%
50	Cllr Snyman van Deventer (Elizabeth)	78.9%
51	Cllr Swartz (Sophia Mametjie)	100%
52	Cllr Terblanche (Arthur Phillip)	100%
53	Cllr Thomas (Johannes Beleme)	68.4%
54	Cllr Viviers (Benhardus Jacobus)	89.4%
55	Cllr Vorster (Braam)	73.6%
56	Cllr Wewege (Mare-Lize)	89.4%
57	Cllr Sefaki (Samuel)	94.7%
58	Cllr Machachamise (Tshepiso Oudious)	84.3%
59	Cllr Supi (Mahoko Harold)	100%
60	Cllr Lecoko (Lehlohonolo Nathaniel)	100%
61	Cllr Moiloa (Tshidiso Petrus)	89.4%
62	Cllr Sehloho (Siza Clement)	100%
63	Cllr Nyaphudi (Likeleli Julia)	100%
64	Cllr Tlhakung (Betty Masetlhabi)	100%
65	Cllr Setlai (Teboho Lesley)	100%
66	Cllr Hashatsi (Rafedile)	100%
67	Cllr Siteo (Nombulelo Dorcas)	100%
68	Cllr Lekgetho (Lebogang Winston)	94.7%
69	Cllr Mohibidu (Pulane Martha)	100%
70	Cllr Mohatle (Mampone Sally)	78.9%
71	Cllr Van Noord (Gregory Owen)	63.1%
72	Cllr Peter (Seth Qondile)	100%
73	Cllr Van Rensburg (Corize)	78.9%
74	Cllr Lotriet (Pieter Adam)	68.75%
75	Cllr Cronje (Jan-Hendrik)	89.4%
76	Cllr van der Walt (Tjaart Botha)	100%
77	Cllr Kotze (Gerhardus Dirk Petrus)	94.7%
78	Cllr Kotze (Paul Mare)	100%
79	Cllr van Niekerk (Hendrik Johannes Christiaan)	94.7%
80	Cllr Banyane (Zachous Nechodemus)	89.4%
81	Cllr Matsephe (Dikololo Elias)	100%
82	Cllr Tukula (Teboho Daniel)	100%
83	Cllr Mabena (Mere Joel)	100%
84	Cllr Menyatso (Thabang Victory)	94.7%
85	Cllr Mohono (Tshidiso Augustine)	89.4%
86	Cllr Tshwane (Kabi Daniel)	100%
87	Cllr Fantisi (Teboho Samuel)	100%
88	Cllr Ramolelle (Mmota Simon)	100%

#	NAME & SURNAME	% Attendance
89	Cllr Matsoso (Molahloane Florenciah)	100%
90	Cllr Pholoholo (Ntebaleng Petunia)	100%
91	Cllr Dintlwane (Mantja Agnes)	100%
92	Cllr Mothupi (Maqoma Lazarus)	89.4%
93	Cllr Nkiane (Mpho Elizabeth)	100%
94	Cllr Pretorius (Selmé)	84.3%
95	Cllr Mathe (Lisiwe Jeanette)	100%
96	Cllr Majoro (Mpho Samuel)	100%
97	Cllr Maartens (Jan-Rudolf)	89.4
98	Cllr Pretorius (Johannes Christiaan)	73.6%
99	Cllr Lekhwele (Mohanuwa Julia)	100%
100	Cllr Monare (Thabo Nicholus)	100%
101	Cllr Mohulatsi (Mamoorosi Margaret)	89.4%

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSE

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committee	Committees are established by the Council from among its members. Council determines the functions of the committee and may delegate powers and duties to it. The Committees report directly to Council.
Section 80	Committees are established by the Council from its members to assist the Executive Mayor. The Executive Mayor appoints a chairperson for each committee from the Mayoral Committee and may delegate powers and duties. The various committees consider and approve the reports and policies. These reports and policies are forwarded to the Mayoral Committee for consideration. It is then referred to Council for approval. They are advisory committees to the Executive Mayor.
Audit Committee	Committee is appointed by Council in terms of the Municipal Finance Management Act No. 56 of 2003 ("the Act"), Section 166, to assist Council, in discharging its oversight responsibilities. It is an independent advisory body to Council.
Budget steering committee	The Mayor of a Municipality establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities as set out in section 168 of the MFMA.
IDP Steering Committee	The Mayor of a Municipality establish IDP steering committee to provide technical assistance to the mayor in discharging the responsibilities as set out in section 30 of the Municipal Systems Act.
Ward Committees	They are committees meant to encourage participation by the community – their job is to make municipal Council aware of the needs and concerns of residents and keep people informed of the activities of municipal Council.
LLF	Section 2.8.11 of the Main Collective Agreement of the SALGBC dictates that every employer must establish a Local Labour Forum with equal representation from the trade unions (SAMWU and IMATU) and the employer to strengthen the relationship between the two.

APPENDIX C: TWO TIER STRUCTURE

Departments	Responsible Official	Period
City Manager	Mr. S More	Appointed from 1 November 2023
Chief Financial Officer	Ms ZL Thekisho	Appointed from 1 June 2024
Corporate Services	Mr. MV Duma	Appointed from 1 December 2023
Technical Services	Mr. IR Masobeng	Appointed 1 December 2023
Community Services	Dr T Thinda	Appointed 1 December 2023
Planning, Economic and Rural Development and Human Settlements	Ms N Chakane	Appointed 1 December 2023
Public Safety and Security	Mr. I Kgamanyane	Appointed 1 December 2023
CEO: Centlec (entity)	Mr. Malefane Sekoboto	Appointed 1 December 2020

APPENDIX D: FUNCTIONS OF THE MUNICIPALITY/ ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	No
Building regulations	Yes	No
Childcare facilities	Yes	No
Electricity and gas reticulation	No	Yes (Centlec)
Firefighting services	Yes	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	Yes	No
Municipal public transport	Yes	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	No
Cleansing	Yes	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	No	No
Fencing and fences	No	No
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	No	Yes (Centile)
Traffic and parking	Yes	No

APPENDIX E: WARD COMMITTEES

	WARD 1 NAME AND SURNAME	WARD 2 NAMES AND SURNAME
1.	KELEBOGILE KGAUDI	KAGISHO JACOB SELEPE
2.	NOMAKHOSI BRIGET MABIJA	THAPELO VALENTINE TIGEDI
3.	MATSHEDISO GOODWILL MOGWERA	MAPASEKA EUGLAUDA SETHUNYA
4.	EZEKIEL LEHLOHONOLO NKUTA	SHALA MODISAOTSILE PHILIP PHETLHU
5.	MOTLALEPULE MIRRIAM NTEO	THANDEKA CYNTHIA CHOANE
6.	MOKHALI KEITUMETSE MILLICENT	MAPALEO ROSELINA LETSIE
7.	THEMBA EVERSTONE PHILLIPS	DISEBO CAROLINE CHOEU
8.	MARIA GOEIEMAN	MAVUMENGWANA MNYAMEZELI SIMON
9.	GOODENOUGH GONTSE MOTLHANKE	MOAHLODI MANTSHABENG FLORENCE
10.	LETIA MASEPHUTHA MKHUZANGWE	PULE PETROS MOENG
	WARD 3 NAME AND SURNAME	WARD 4 NAMES AND SURNAME
1.	LUMKA MABHUDE	KELEBOGILE MERRIAM MORAILA
2.	THATO MOHAPI	JOYCE REITUMETSE KHANI
3.	KEITUMETSE GRACE SESING	MATSHEDISO. EUNICE MAJODING
4.	POGISHO PATRICK SESHUPO	MASABATA PORCIA MOKHELE
5.	GLADYS KENEWANG SENAKGOMO	MOLEBOGENG ENGELINE GOODMAN
6.	NANAH MRWEBI	ANDRIES KONJANE
7.	GLADYS MOCHOKHOKO	ARCHIBALD MOJAKI SEBOKO
8.	MOTHOBI RANTSANE	MARTHA MORAKABI
9.	NOVELILE TSHWABU	MOTSHEDISI ELLEN SEITELo
10.	LEBOGANG BUYAPI	KGOSIMANG O'NEAL NCHOCHO
	WARD 5 NAME AND SURNAME	WARD 6 NAMES AND SURNAME
1.	MOTSIELWA GEORGE LETHAE	DANIEL LEBOHANG KOPI
2.	THANDEKILE PHIKE	JOHN TEKANE MAY
3.	MOJALEFA GLADSON MORGAN	LUNGISA SOLOMON POPO
4.	REFILWE MOJAKI	NODATHINI SUZAN MARUPING
5.	NOMVUYO LIZZIE DAMBE	SHARDRACK MOLETE
6.	TUMELO CHARLES PITSO	THEMBELANI CALVIN NAMA
7.	MPHO JOYCE MPHIRIME	SELLOANE MARTHA MOHAPI
8.	MAINA ZIMAKATSO DUIKER	THENJIWE ALETTA MABOTE
9.	NOMVUYO VERONICA GQOKOMA	XOLISWA REGINA TSHANGE
10.	FUNIWE YOTHALIA MAJENGE	LEHLOHONOLO WILLIAM MOKEKA

WARD 7		WARD 8
	NAME AND SURNAME	NAMES AND SURNAME
1.	MAPAKISO LUCY LATYEBA	MESHACK FABA
2.	PULENG ANNAH MASIMONG	MARGARET VAN WYK
3.	KGOSITSILE MATOBAKO	MOLEBOHENG PELESANA
4.	LIPUO VICTORIA PHONGOMA	MASENUTE SANI
5.	NOMPUMELELO SEMUDI	BOTLHOKWANE EMILY MOGWERA
6.	SEBOLAO ISAAC MATLALA	RICHARD HLANGU
7.	GLORIA THETHO	NTSWAKI MOKOENA
8.	BOITUMELO MOKEYANE	SAMUEL MOLETSANE
9.	MPHO MARTHA MOTHAE	NTSOAKI MABUYA
10.	GOITSIMANG EVODIA NGAMLANA	MAMOHAU SELAI-PHIRI
WARD 9		WARD 10
	NAME AND SURNAME	NAMES AND SURNAME
1.	ITUMELENG HLALELE	ELIZABETH NTOAGAE
2.	AGNES KHASAKE	LUNGILE WITTES
3.	JOYCE MAPHATLALATSA	DILATLHWANE SEITSHIRO
4.	SINKIE BAITLATS	PULE ISAAC MOSUOE
5.	DIRANG MAKHETHA	THANDEKA NTSATHA
6.	MODIEHI ALICE MALOISANE	SELLOANE MERIAM MAKOELE
7.	MIEMIE NXANIWE MABOE	MONAMODI MOGOPODI JOHANNES
8.	DORAH GLADYS DUMEZWENI	THABISO JOSEPH THAISI
9.	MARIAM MARIA RAMANEMANE	MAHOKO BUTIKI
10.	TLADI SAMUEL MACK	CORNIE KELEBOGILE MOSHOUNYANE
WARD 11		WARD 12
	NAME AND SURNAME	NAMES AND SURNAME
1.	TSHEPO VINCENT SOULS	PIET MAKAE
2.	BOITUMELO MAGDALINE WOLF	KEKE MARIA MSEKELE
3.	PUMZILE BINDZA	DIMAKATSO SYLVIA LEKOA
4.	MOTLATS	MMATA GLADYS LEBAKA
5.	MPHO REJOICE RANTABANE	KESENOGILE EVELYN SHUPING
6.	SIBONGILE MARIA XAKEKA	MPOLOKENG JOHN MAKGETLA
7.	LINDIWE EUGINIA PUDUMO	SAMUEL JOHANNES BENJAMIN
8.	LEFU DAVID SETLAI	LERATO MELLICENT RAMILE
9.	MANTAOLENG JERMINA MZAMO	XHASELE ISAAK STAYITAYI
10.	MAHLAJOE ALFONSINAH MAHLAJOE	KUNKI DOREEN KGOMO

	WARD 13	WARD 14
	NAME AND SURNAME	NAMES AND SURNAME
1.	TLALENG CONSTANCE MBOVANE	PITSO ABRAM MOLEHE
2.	LITSEOANE EVELYN MBANJANI	SEADIMO SILVERA ELIZABETH SELALEDI
3.	MOIPONE JULIA THULO	MODISAOTSILE EZEKIEL CHOANE
4.	MADIKOKO REGINAH MOTSAMAI	GALEOKWE CORNELIA MOECA
5.	NKOSIZILE MONAKALI	TSHOLOFELO SEGOPA
6.	LAURENTY TANKISO MABASO	ITUMELENG JOSEPH MOGOTSI
7.	THEMBANE EPHRAIM SKWELITE	MOROKA MOROKA
8.	SOLOMON THULO LEBAKENG	PAULUS DITHEBE HASHATSI
9.	VUSI MACKSIN GEVEZA	REOKEDITSWE CHARMAIN MOSIANE
10.	THANDIWE MOSES	AGNES EUGINIA KEDIEMETSE SEBATLELO

	WARD 15	WARD 16
	NAME AND SURNAME	NAMES AND SURNAME
1.	MONIMANG FLORENCE MOSIAKO	VENESSA YVONNE PRETORIUS
2.	FRANCINAH MAGDALINE PHALATSANE	BRADLEY VAN WYK
3.	KENALEMANG SUZAN MALOISANE	ELDENE DAVIDS
4.	LERATO INORSENTIA PORTIA LETSOELA	RODNEY SMILES
5.	ELIZABETH LISEMELO MOTLOHI	CHERON ANGLIQUE LUCINDA SANDT
6.	MALIRA MOKOKOANE	ROSY SANNA FILLIES
7.	PULANE MODISANA	PRINSWA BURTON BAATJIES
8.	BAILE ELIZABETH PHELANE	MEISI SHARON MODIRI
9.	PULENG MABITSA	DORES DELORES MUIHOND
10.	MANNUKU GLORIA PULUMO	LETLHOGONOLO MICHAEL MOTHABENG

	WARD 17	WARD 18
	NAME AND SURNAME	NAMES AND SURNAME
1.	NTSOAKI JUSTINA MAKHETHA	RUAN VAN WYK
2.	THABO FREDDY WESI	ADELE TERBLANCHE
3.	LESEGO PRIMROSE NTHABI	PAULA LORRAINE BRISTOW
4.	MASELLO ANNA RAPOTSA	GREGORY OWEN VAN NOORD
5.	NOMBULELO CECILIA JAFTA	DAWID ANTON FOURIE
6.	VUYELWA FRANCINAH MOPHATLANE	WILLEM HENDRICK STRAUSS
7.	NELSON SANDILE KONONO	MKROLA ZUKISWA PATIANCE
8.	PORTIA MAKHALA MAKGOE	MATSHEDISO PORTIA MOFOKENG
9.	MOEKETSI RICHARD MONYAHANE	ADOLPH DANIEL JONKER
10.	SOKIMONG NAOMI MALOISANE	PHILLIPUS RUDOLPH DE WET

	WARD 19	WARD 20
	NAME AND SURNAME	NAMES AND SURNAME
1.	ANATHI HLONEPHO SELWANE	TAMMY MOREY
2.	MAKHABA ALINA QOANE	ANNELIE DE MAN
3.	ARCHIBALD KENNETH WITTES	JACOMINA GERHARDA HORN
4.	LERATO BORNIFICIOUS SENTI	JACOBUS BEZUIDENHOUT

5.	TSHEPO TERRENCE MOAHLOLI	PUSELETSO VIOLET SEAPI
6.	ROZICKA ROTHMAN	COENRAAD HENDRICK LUBBE
7.	THANDISWA SOUT	LOUWRENS BADENHORST
8.	DIMAKATSO MELINDA NKHABU	MATHILDA PATRICIA HENNING
9.	BOKANG URSULA LICHABA	ERROL CEDRIC MULLER
10.	OCTAVIA PIENAAR	STEFFAN VAN WYNGAARD

WARD 21		WARD 22	
NAME AND SURNAME		NAMES AND SURNAME	
1.	CHRISTO ABRAHAM VAN BILJON	FREDRIKA BRITZ	
2.	SHIRLEY FRAZENBURG	ALTA CROUS	
3.	PIETER GERHARDUS BOTHMA	ADRIAAN J VERMAAS	
4.	CLAUDETTE GERALDINE PRIOR	LYNETTE MALHERBE	
5.	JUANI LIEBEN SMITH	PHILIP CALITZ	
6.	MICHAEL JOHANNES JACOBS	FREDERICK J MULLER	
7.	JAN LODEWYK SMITH	MARIA E FRYLINCK	
8.	MONYAKI LAZARUS BOKAKO	HENDRIK M COETZEE	
9.	TUMELO VICTOR MATLEJOANE	JAN-HENDRIK CRONJE	
10.	PULE MAILE	MPHO T BOOI	

WARD 23		WARD 24	
NAME AND SURNAME		NAMES AND SURNAME	
1.	BEATRICE J DE KLERK	JOMANDI VAN DE HEEVER	
2.	CLAUDINE H ENGELBRECHT	ADELE ERASMUS	
3.	OLEHILE VC BOTSIME	LOUWRENS DANIEL ERASMUS	
4.	OWEN D VAN WYK	JOLANDA HORN	
5.	HENRY ES MOORCROFT	MARIETJIE GERBER	
6.	HENNING MYBURGH	LOUIS HAVENGA	
7.	DIRK JJ VAN HEERDEN	PATRYS ALIDA BH COETZEE	
8.	JAMIE MITCHELL	JAN JC VAN TONDER	
9.	ANTON VAN WYK	JOHAN SMITH HUMAN	
10.	TSHEPANG M MOHAPI	CAROL D VENTER	

WARD 25		WARD 26	
NAME AND SURNAME		NAMES AND SURNAME	
1.	JACOBUS JOHANNES MOCKE	HENDRIK CHRISTOFFEL VAN NIEKERK	
2.	WILLEM HENDREK SAPSFORD	STRYDOM CHRISTOPHER ADOLPH	
3.	CHRISTINA DOROTHEA MAY	DAWID MATHYS BEUKES BOTHA	
4.	JAQUES PAUL MEIRING	DOREEN YVONNE VAN ZYL	
5.	JAKOBUS LODEWIKUS OLIVIER	LOUIS JOHANNES LOMBAARD	
6.	PIETER PLOOS VAN AMSTEL	MARTHINUS JACOBUS JANSEN VAN RENSBURG	
7.	GERT JOHANNES BRITZ	JORDAAN ANNA MARIA ELIZABETH	
8.	ANNA CATHARINA BOTHA	CHRISTIAAN WILLEM BARNARD	
9.	HESTER SOPHIA BOTHA	SYLVIA BURGER	
10.	MARIA GESINA CATHARINA DU PREEZ	SCHALK WILLEM PETRUS VAN VUUREN	

	WARD 27	WARD 28
	NAME AND SURNAME	NAMES AND SURNAME
1.	DYKE LEBALLO	LELALA MOIPONE MARTHA
2.	MAKGI ELISA MAFABATHO	MOLETE MALETSATSI MELITA
3.	KATALI JOHN NAPE	KHOMARI MOTSHIDISI FLORY
4.	MADIEPETSANE ELISA BANYANE	MOHLOLO MOLEBOHENG MARGARET
5.	ITUMELENG KWANELE VILAKAZI	MOKOTJO ALFONSO
6.	DITSEHWANE PAULINA LITABE	SELLWANE MARIA THOTELA
7.	KOPANO DANIEL NTHABI	LERONTI MAKGOKOLOTSO ELISA
8.	SELLOANE MERRIAM LELIMO	NOOI SOPHIA KOALANE
9.	SELLOANE LYDIA MOJAU	LOTHANE MARIA NOMAKHEPU
10.	MATLAKALA DINAH MATLEKOTSI	MARA TSELANE ADELINA
	WARD 29	WARD 30
	NAME AND SURNAME	NAMES AND SURNAME
1.	MANNINI ANNA TSEKELI	NOMAHLUBI MARGARET MAREKA
2.	NTHABISENG MIEKIE SAUL	JOALANE MERRIAM LEBITSA
3.	TSHEPISO SEMPE	NOMBUYISELO ALICE NYABANYABA
4.	NTHABELENG BELINA MALEFANE	ORATILWE LETHABO MATEBA
5.	STEFINA MAKENA	RELEBOHILE PORTIA RAMPAI
6.	MZWANDILE DOCTOR SAUL	NTJANTJA CONSTANCE HLOHLONGWANE
7.	MARIA STUURMAN	NTAOLENG SYLVIA MODIEGI TLHOBELO
8.	BONGANE DAVID RAMAKEOANE	SELLWANE ALINAH MAKENA
9.	MZWANELA JAMES HLAZO	DIPUO SELINA SEKITLANE
10.	PABALLO OLGA MATSABE	LISEBO MARIA MATSHOTSA
	WARD 31	WARD 32
	NAME AND SURNAME	NAMES AND SURNAME
1.	TOKELO GEORGE KHAHLELI	PASEKA MORGAN MONOKOANE
2.	MASABATHA ANNAH MATLABE	NTHABISENG JOYCE MAPHAKISA
3.	MODUKA POLO SARAH	TSHAKELA JOSEPH NGWENYA
4.	THABANG PIUS MPUTLANE	MANTSHEBO AMELIA MAKGETLA
5.	SELEMA LERATO EPHRAIM	TEBELLO GLADYS MOLETSANE
6.	TSATSI THOMAS MOGWERA	THABISO GODFREY CHAACHA
7.	KOTELO CASWELL NQOAE	SMANGA SAMUEL FABA
8.	TEBOHO JACOB LITSOOANE	SIMON KGOTSO MABALENG
9.	MAFA NTHABISENG ELIZABETH	JEANNET NTHABISENG NOMATSHE
10.	NTSWAKI SANNAH NZAPHEZA	NTHABISENG ELIZABETH MOHAPI
	WARD 33	WARD 34
	NAME AND SURNAME	NAMES AND SURNAME
1.	EDGAR THABANG MABITSO	SOAISA MORWESI LYDIA
2.	MIRRIAM PETER	LETWABA FREDDY TSEHO
3.	VIOLET NTLALANE NTHOBA	NOMBULELO PRECIOUS HOSSAIN
4.	MATSHILISO REBECCA MAJORO	LUKA CYNTHIA NOBANTU
5.	MOLETE NTOMBEZANELE NELLY	NKUNZI NZWELINZIMA JACOB
6.	MADITABA JEMINAH NCOKAZI	PONDO KOPANO PETROS

7.	MOTSHIDISI EVELINE MOHOLOHOLO	KHOZA MOTSENG ANACLETTA
8.	NOVELAPHE EVELINA THAKANI	MOTHEOAN LEFA ISAAC
9.	KENEILWE ANDRONICA SEECO	MMAMODUPI ARCILIA TEKANE
10.	PHOHELELI PETRUS	MORAKE LIMAKATSO ROSALIA

	WARD 35	WARD 36
	NAME AND SURNAME	NAMES AND SURNAME
1.	MOTSHABI AGNES MAFATA	MORAKANE MARTHA SERUOE
2.	CONSTANCE MOOKHO MOSOLA	TEBOHO SELLO MOROANE
3.	MOHANUOA LUCRETTA RAMOKONE	MANTSHO TSHANTSHANE
4.	POROTA PABALLO LEVY	PINKI SEKOTO
5.	MATSHIDISO ROSALIA MOHAPI	MPONENG KHATHU
6.	MAMONAHENG MARIA MAPHIKE	MOJALEFA MADONA
7.	MPHO SELINA THEBEHAE	NTOMBI ROSILINA MOSESE
8.	MAJWALAME CORNELIA SETUNGOANE	MADIAKAE EVODIA MATHANG
9.	MPHO MAGRET MALISE	JWALANE ANNA MOKHETHI
10.	PAULUS HERMANS	MOLEMO SHADRACK MALEKE

	WARD 37	WARD 38
	NAME AND SURNAME	NAMES AND SURNAME
1.	MOETI PHILLIP MOKHU	MALEFU JEANETT NTAHANE
2.	THABISO WILLIAM SALEMANE	TEBELLO LEORNARD LERAISA
3.	SELINA THUPENG	MASABATA ELISA MONAKALADI
4.	NOWEZILE MAPHETSHANA	TEBELLO JUSTINA NTHONYANE
5.	PULANE JANE HLOPHE	MAMIKILE ELISA JAKOBA
6.	POTSOTEELE	MARTHA NOMATHEMBA KHOOKHOO
7.	AMELIA DISEBO MARA	MADITABA JERMINAH RAMAHLOKO
8.	MASABATA MIRRIAM MBIZENI	DISEMELO AGNES ATORO
9.	DIMAKATSO SANNA MOETI	MATORONKO MARTHA MOSIFANE
10.	MOEKETSI MAILE	MVULAZANA ANNA PHILI

	WARD 39	WARD 40
	NAME AND SURNAME	NAMES AND SURNAME
1.	OFENTSE NAMANE	KELEBOGILE MATHEATAU
2.	MATHENI SUZAN MAKHATHE	JOHN KEBAUTLWILE
3.	ITUMELENG CLIFFORD BOKAKO	SHEBE KEITUMETSE
4.	CHILOANE ENOCK THOLE	PULANE MARTHA MOTHUPI
5.	REITUMETSE TSUBANE	BONANG RAMANKI
6.	MOSALASHUPING LOUIS MAROGOA	MATSHIDISO PORTIA MAKGOBE
7.	MOSES ELIAS SEBAKISHO	PABALLO LEFA MOHOKARE
8.	GOBONWENG MBONE MODISE	PULENG PAULINAH NTLHOKOE
9.	BOIKANYO SAILA	ELLEN MOFOKENG
10.	RABELENG VICTOR RABELENG	MATSIANE RAMOSHOANE

	WARD 41	WARD 42
	NAME AND SURNAME	NAMES AND SURNAME
1.	MOTHEWANE LETSHEGO SAMANTHA	EMILY MITA MELTHAF
2.	MAYEZA KAMOHELO MESHACK	MOOPEDI MARY KENOSI
3.	NTETHA SINDAPHI SOLOMON	KELEBOGILE BOTSANE
4.	LEKOALA DIPHAPANG JAN	KGOMONGWE SYLVIA SELLO
5.	SEBITLOANE MOKAKATLELE OWEN	ITUMELENG MOGOTLWANE
6.	MOKOPANELE KEDISALETSE PRECIOUS	NTSWAKI JULIA MOKOALELI
7.	JAFTA DELIWE FLORA	KERENG ZACHARIA MAFOJANE
8.	MAKHETHA MPHO GLORIA	ANDRIES FUMANEKILE HUGO
9.	KGANTSE REBECCA POBE	LERATO YVONNE MOLEKO
10.	MALEBO GAOPALELWE VERONICA	THENJIWE SOPHIE NTHEJANE
	WARD 43	WARD 44
	NAME AND SURNAME	NAMES AND SURNAME
1.	MASELLO JANE MEREKO	KHOMOTSO THIBELE TSA
2.	SEGOMOTSO MOGOTSI	SHEILA ADDISON
3.	NTENNE MARIA LITSOANE	PETRINA KHANSILE
4.	MATHABO PRENCES THAKANYANE	DARREL BANHAM
5.	MALEKHOTLA MARIA SEUTLOALI	RIAAN NEL
6.	WILLEM SAALS	STEPHANIE LOHMAN
7.	MAMMATLI JULIA SETOUTO	PORTIA MADIKGETLA
8.	THIYEKILE FRANS MABE	DIPUO MOTSOANE
9.	TLALE PHALE LAZARUS	VERONICA VENTER
10.	MAMOSAJOYCE MASOENYANE	MOTSAMAI SITHEBE
	WARD 45	WARD 46
	NAME AND SURNAME	NAMES AND SURNAME
1.	SEKONYELA BEN TSIE	GABOUTLWELOE LESHODI EDGAR
2.	MOKHACHANE NTHABISENG GLADYS	JAFTA DIKELEDI GLADYS
3.	SOPHY WEIMERS	MABELE MOKONE CHRISTOPHER
4.	MAPHEELLO PULANE ELSIE LEFELE	MACHAYA MATSHEDISO AGNES
5.	NTSOKOLO MATOWANE	MCKENZI PETER GRANDLY
6.	MTOMBENI ZENZILE KAISER	MOHAU ABEL LEHOHLA
7.	MAMOSAJOYCE MASOENYANE	FUDUMELE KELEBOGILE
8.	RETSSELISITSOE CLAUDIA KHUSELA	MOLEHE TEBOGO DAVID
9.	MPHONYANA FLORA MOTLOHI	POSHOLI DENNIS TOKA
10.	NOZILILO ADELINA XABA	MOLATLOU POGISHO GOITSEMODIMO ZACHARIA
	WARD 47	WARD 48
	NAME AND SURNAME	NAMES AND SURNAME
1.	JAN RUDOLF MAARTENS	JOHANNES BURGER
2.	CRYSTAL KGOLOKOANE	ELIZABETH LOMBARD
3.	MERCIA LEBURU	AGATHA VERWEY
4.	JUSTIN VAN DER MERWE	IZAK LOUW
5.	MXOLISI TOHLANG	MIEMIE POTGIETER
6.	NTHABISENG KELEBOGIE JOSEPHINE JACOBS	ELJO BOTES

7.	STEPHANUS VAN DER WALT	BRIAN GOUVEIA
8.	KGATAMELA ISHMAEL KOMAKO	JACOB KRUGER
9.	SELLOANE PATRICIA MATLADI	LERATO MOKONE
10.	WENDYJULIE DAVIDS	THANDOXOLO MEMANI
	WARD 49	WARD 50
	NAME AND SURNAME	NAMES AND SURNAME
1.	EUNICE MMAPULA RANOTSI	MOTLATSI BENNETT MAKITLE
2.	MAKGOTSO ANNACLETTA MOGOTLOANE	NCAMILE THULANI MICHAEL
3.	ORAPELENG ORIEL NKONE	MOIPONE GLADYS DINEKA
4.	MOTSHABI DANIEL MOATLHODI	LEFU ALEXIS MATSIPA
5.	LENCOE THABO JOHANNES	DITABA ISHMAELE LESEKELE
6.	MOTLHABANE MOTSEOTHATA ABEDNEGO	MANDISA PRICILIA HLUTYANA
7.	MOLATLHEGI THABO JOHANNES	EDWARD KHATHATSO MOLOISANE
8.	LEKHWELE MOHANUWA JULIA	DIEKETSENG MAPITSI
9.	MAKETSO SARAH BOTSANE	LISEBO ANGELINA MOKATI
10.	NAKEDI PETER SELAOCWE	MATEBOHO CLAUDIA MAKUTOANE
	WARD 51	
	NAME AND SURNAME	
1.	MPHO MARVEN ZAKWE	
2.	NTHEJANE MORINE JOHANNES	
3.	MOILOA JUSTINA MALEFU	
4.	NOMASONDO GLADYS MAVUNDLA	
5.	LEBONA THABANG MICHAEL	
6.	KOBILE MOLEBOHENG LUCIA	
7.	DOROZA MATSHEDISO SARAH	
8.	TSULUBA TALENYANE AGNES	
9.	RAMABUSA THEKO ANNA	
10.	MATLALETTA MAMOKETE SOPHIA	

APPENDIX F: LARGEST PROJECTS INFORMATION

Capital Expenditure of 4 largest projects*			
R' 000			
Name of Project	Current: Year 2024/2025		
	Original Budget	Adjustment Budget	Actual Expenditure
REFURBISHMENT OF SEWER SYSTEMS	12 000 000	53 109 086	66 188 519
MMM WWTW REFURBISHMENT	10 000 000	25 049 000	24 425 681
BOTSHABELO MAIN OUTFALL	30 000 000	30 000 000	23 234 086
VEHICLES	20 000 000	30 228 726	27 315 492
TOTAL	72 000 000	138 386 812	141 163 778

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

#	Date of Committee and Meeting No.	Matter/Item Discussed	Audit Committee recommendations during Year 2024-25	Recommendations adopted (enter Yes) If not adopted provide explanation
1	01/2024-25/95 27 August 2024	Audit and Performance Committee Review of the 2023/24 Annual Financial Statements	The Committee noted the Draft 2023/24 Annual Financial Statements presented and requested confirmation that the final draft would be submitted within the timelines prescribed by the MFMA, i.e., on or before 31 August 2024.	Yes
2	01/2024-25/95 27 August 2024	Report of Internal Audit on the review of the 2023/24 Annual Financial Statements	The Committee noted the Report of the Internal Audit on the review of the 2023/24 Annual Financial Statements and recommended to management that the issues raised should be taken into account before the submission of the financials to the AGSA. Proof of the submission of the statements to the AGSA, with the corrections affected, must be shared with the Members.	Yes
3	01/2024-25/95 27 August 2024	Audit and Performance Committee Review of the draft 2023/24 Annual Performance Report	The Committee noted the Draft 2023/24 Annual Performance Report presented and requested confirmation that the final draft would be submitted within the timelines prescribed by the MFMA, i.e., on or before 31 August 2024.	Yes
4	01/2024-25/95 27 August 2024	Report of Internal Audit on the review of the draft 2023/24 Annual Performance Report	The Committee noted the Internal Audit on the review of the draft 2023/24 Annual Performance Report and recommended to management that the issues raised should be taken into account before the submission of the Annual Report to the AGSA. Proof of the submission of the Annual Report to the AGSA, with the corrections affected, must be shared with the Members.	Yes
5	02/2024-25/96 25 September 2024	2024/25 Internal Audit Plan	The Committee approved the 2024/2025 Internal Audit Plan, subject to incorporation of all inputs made by the Committee.	Yes
6	02/2024-25/96 25 September 2024	Internal Audit Manual Version 2024/25	The Committee approved the Internal Audit Manual, Version 2024/25 for implementation by the Unit.	Yes
7	02/2024-25/96 25 September 2024	AGSA Culture Shift	The Committee noted the AGSA MFMA Culture Shift.	Yes
8	02/2024-25/96 25 September 2024	AGSA Culture Shift	The Committee then requested an in-committee session be arranged between the Committee and the City Manager to discuss progress on material irregularities.	Yes
9	02/2024-25/96 25 September 2024	AGSA Audit Process	The Committee noted the progress of the AGSA's audit process for the financial year under review and areas of concern raised by the AGSA.	Yes
10	03/2024-25/97 7 November 2024	AGSA – ISA Scope and Coverage	The Committee noted the detailed presentation of the ISA Scope and Coverage	Yes
11	03/2024-25/97 7 November 2024	Audit Action Plan (AAP) (Management and Internal Audit assessment)	The Committee noted the close out report as presented by the CFO	Yes
12	03/2024-25/97 7 November 2024	ICT Status Report	The Chairperson indicated that an ICT action plan, to be developed by the CTO, would be monitored on a quarterly basis by the Committee to ensure progress.	Yes
13	03/2024-25/97 7 November 2024	Risk Management Report/s	The Committee noted with appreciation the detailed the Risk Management presentations and expressed concern about the Risk Management team struggling to get responses from Management, which raised doubts about the organization's culture and support for assurance providers	Yes

#	Date of Committee and Meeting No.	Matter/Item Discussed	Audit Committee recommendations during Year 2024-25	Recommendations adopted (enter Yes) If not adopted provide explanation
14	03/2024-25/97 7 November 2024	2024/25 Quarter 1 MFMA Section 52 Report	The Committee noted with appreciation the presentation of the 2024/25 Quarter 1 MFMA Section 52 Report	Yes
15	03/2024-25/97 7 November 2024	2024/25 Quarter 1 SCM Report	The Committee noted the 2024/25 Quarter 1 SCM Report and expressed appreciation for the presentation and responses and will await for the new presentation on SCM matters	Yes
16	03/2024-25/97 7 November 2024	2024/2025 SDBIP Quarter 1 Progress Report	The Committee noted with appreciation the presentation of the 2024/2025 SDBIP Quarter 1 Progress Report	Yes
17	03/2024-25/97 7 November 2024	APC Commitments to AGSA	The Committee noted that items in the commitment letter will be monitored with standard items, while the following items will remain standalone items: <ul style="list-style-type: none"> • progress on the financial recovery plan • Material Irregularities Report 	Yes
18	03/2024-25/97 7 November 2024	2024/25 Quarter 1 Internal Audit Progress Report	The Committee noted the 2024/25 Quarter 1 Internal Audit Progress Report	Yes
19	03/2024-25/97 7 November 2024	Road Map to 2025 - Implementation of the New Global Internal Audit Standards	The Committee noted with appreciation the presentation on the Implementation of the New Global Internal Audit Standards	Yes
20	04/2024-25/98 9 December 2024	Draft AGSA Audit Report for the financial year 2023/2024	The Committee noted the standalone Audit Report for the 2023/24 financial year and awaits the consolidated Audit Report to be issued in 2025	Yes
21	05/2024-25/99 22 January 2025	AGSA Consolidated Audit Report for the financial year 2023/2024	The Committee noted the AGSA Consolidated Audit Report for the financial year 2023/2024	Yes
22	06/2024-25/100 6 March 2025	Audit Action Plan (Management and Internal Audit assessment)	The Committee noted with concern that the AAP had not been submitted to IA for review and stated that progress will be monitored at the next meeting	Yes
23	06/2024-25/100 6 March 2025	ICT Status Report	The Committee noted the ICT Status report and agreed that the budget comparison of ICT to the total budget should be included in subsequent presentations.	Yes
24	06/2024-25/100 6 March 2025	MFMA section 72 budget and performance assessment ending December 2024 (Financial)	The Committee noted the MFMA Section 72 Report (financial) as presented by the CFO.	Yes
25	06/2024-25/100 6 March 2025	Supply Chain Management (SCM) report for the quarter ended 31 December 2024 - 2024/25 financial year	The Committee noted the 2024/25 Quarter 2 SCM Report as presented by the CFO	Yes
26	06/2024-25/100 6 March 2025	Risk Management Committee Report for the Third Quarter of 2024/2025 Financial Year	The Committee noted the Risk Management Committee Report and deferred the following matters to the next APC meeting due to additional information required by the Members <ul style="list-style-type: none"> • Finance Report on Service Providers Appointed to Collect Outstanding Debt on behalf of the City, • City's Plan to Address Slow Spending of Grants 	Yes

#	Date of Committee and Meeting No.	Matter/Item Discussed	Audit Committee recommendations during Year 2024-25	Recommendations adopted (enter Yes) If not adopted provide explanation
27	06/2024-25/100 6 March 2025	Risk Management Report for the second quarter of 2024/2025 financial year	The Committee noted the detailed presentation on the Risk Management Report	Yes
28	06/2024-25/100 6 March 2025	MFMA Section 52 Quarterly Service Delivery and Budget Implementation Performance (SDBIP) Report for quarter 2 of 2023/24 and MFMA Section 72 Mid-year budget and performance assessment (non-financial)	The Committee noted the presentations on the MFMA Section 52 Quarterly Service Delivery and Budget Implementation Performance (SDBIP) Report and MFMA Section 72 Mid-year budget and performance assessment.	Yes
29	06/2024-25/100 6 March 2025	Progress Report on the investigations of Unauthorised, irregular, fruitless and wasteful expenditure	The Committee noted the presentation on UIF&W and indicated that a progress report with details of identified matters and matters handed over for investigation should be presented to the committee during the next meeting.	Yes
30	06/2024-25/100 6 March 2025	Material Irregularities progress report	The Committee noted the presentation on the Material Irregularities and added that MIs are serious matters and should be treated as such and a much more detailed report is required by the committee, and such must be presented at the next meeting	Yes
31	06/2024-25/100 6 March 2025	2024/25 Quarter 2 Internal Audit progress report	The Committee noted the presentation of the Q2 Internal Audit Report.	Yes
32	06/2024-25/100 6 March 2025	2024/25 Quarter 2 Internal Audit progress report	The Committee resolved that the request for an audit software should be communicated to the City Manager and CTO	Yes
33	07/2024-25/101 02 June 2025	Audit Action Plan (Management and Internal Audit assessment)	The Committee noted progress made on implementing the AAP through the web-based tool (FMCMM portal), however noted with concern that it is already June 2025 and questioning whether the actions taken would have a meaningful impact on the current financial year's audit outcomes.	Yes
34	07/2024-25/101 02 June 2025	The Financial Recovery Plan	The Committee noted progress on the Financial Recovery Plan. The Committee will continue to monitor progress on a quarterly basis.	Yes
35	07/2024-25/101 02 June 2025	ICT Status Report	The Committee noted the ICT Status Report for Quarter 3 and resolved that an updated ICT Status Report should be submitted to the Committee at its next meeting. This report should include clear timelines, deliverables, budget implications, planned actions, and progress made.	Yes
36	07/2024-25/101 02 June 2025	2024/25 Quarter 3 MFMA Section 52 Report	The Committee noted the 2024/25 Quarter 3 MFMA Section 52 Report.	Yes
37	07/2024-25/101 02 June 2025	2024/25 Quarter 3 SCM Report	The Committee noted the 2024/25 Quarter 3 SCM Report.	Yes
38	07/2024-25/101 02 June 2025	2024/2025 SDBIP Quarter 3 Progress Report	The Committee noted the 2024/2025 SDBIP Quarter 3 Progress Report.	Yes

#	Date of Committee and Meeting No.	Matter/Item Discussed	Audit Committee recommendations during Year 2024-25	Recommendations adopted (enter Yes) If not adopted provide explanation
39	07/2024-25/101 02 June 2025	2024/2025 SDBIP Quarter 3 Progress Report	The Committee recommended that the Municipality should begin exploring how combined assurance can be implemented within the Municipality to strengthen processes and improve the control environment.	Yes
40	07/2024-25/101 02 June 2025	Progress Report on the investigations of Unauthorised, irregular, fruitless and wasteful expenditure	The Committee noted the feedback received from the City Manager. The Committee looks forward to reviewing the Progress Report on the Investigations of UIF&WE at the next APC meeting.	Yes
41	07/2024-25/101 02 June 2025	Material Irregularities Progress Report	The Committee noted the Material Irregularities Progress Report.	Yes
42	07/2024-25/101 02 June 2025	New APC Commitments arising from the AGSA 2023/2024 Audit Report	The Committee noted and committed to the new APC Commitments arising from the AGSA 2023/2024 Audit Report	Yes
43	07/2024-25/101 02 June 2025	2024/25 Quarter 3 Internal Audit Progress Report	The Committee resolved that a consolidated action plan document summarising all internal audit findings over the past twelve months should be developed.	Yes

APPENDIX H: CENTLEC MUNICIPAL ENTITY'S PERFORMANCE SCHEDULE

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY AND BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ENERGY AND ELECTRICITY				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENT AND SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Full implementation of the Council's credit control policy	107.79%	Percentage of Improved collection	95%	Collection rate for the quarter is 97,95% which is 2.95% higher than the annual target of 95% as per MFMA Circular 71 ratio calculation.	There is a variance of 2.95% which is higher than the target of 95%. More stringent measures were followed to collect, and such measures included disconnections across the board, legal action taken against default robust consumers, conversion to bulk prepaid meters including notice letters to government.	None
			KEY PERFORMANCE AREA: FINANCIAL VIABILITY			
			KEY PERFORMANCE AREA: BASIC SERVICE DELIVERY			
Providing of Public Lighting	47	Number of High Mast Lights installed	40	All forty (40) high mast lights were connected and commissioned	None	None
Improved access to electricity	2,000	EE1.11 Number of dwellings provided with connections to the mains electricity supply by the municipality	1500 dwellings provided with electricity connections	1521 dwellings provided with electricity connections	None	None
	54%	EE1.13 Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	76%. [54/71] Valid customer applications processed.	14 % Delayed due to customer readiness with completion of installation of their own cable, this cable is called the customer cable, which is the sole duty of the customer to install.	Follow up with the customer to ensure they inform Centlec once they have completed the installation of the cable, then Centlec will proceed with its processes of installing the meter and energising the connection for completion for the customer

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY AND BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ENERGY AND ELECTRICITY				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENT AND SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved affordability of electricity	3.85%	EE2.11 Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	3% of residential electricity provision allocated as Free Basic Electricity (FBE) by 30 June 2025	4,6%	-1,6% Effective registration of qualifying households into the vending system and higher customer collection rate	None, target achieved
Improved reliability of electricity service	Indicator exempted for reporting by National Treasury for 2023/24	EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored within 24 hours as per NERSA requirement	Area outage 95.72%	a) Area Outage 2.28 1. Cable theft 2. Cable Faults 3. Cable repairs	Perform regular planned and preventative maintenance.
	77,14%		b) After an unplanned interruption which affects a single i.e., individual customer interruption/outage, the customers supply should be restored within 24h as per NERSA requirement	Single outage 84,29%	b) Single outage 13,71% 1. Cable theft 2. Cable Faults 3. Cable repairs	Perform regular planned and preventative maintenance.
	New KPI	Percentage of planned maintenance performed	Complete 95% of planned maintenance	98%	3% Positive variation due to adequate resource allocation to planned maintenance	None

NATIONAL KEY PERFORMANCE AREA (NKPA)		FINANCIAL VIABILITY AND BASIC SERVICE DELIVERY				
MEDIUM TERM STRATEGIC FRAMEWORK (MTSF)		PRIORITY 4: CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES				
INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)		02 – INCLUSION AND ACCESS				
FREE STATE GROWTH AND DEVELOPMENT STRATEGY (FSGDS)		IMPROVED QUALITY OF LIFE				
CIRCULAR 88 REPORTING REFORMS		ENERGY AND ELECTRICITY				
SUSTAINABLE DEVELOPMENT GOAL (SDG)		SDG 7 – ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL				
MANGAUNG STRATEGIC IDP DEVELOPMENT OBJECTIVES		FINANCIAL HEALTH IMPROVEMENT AND SERVICE DELIVERY IMPROVEMENT				
Strategic Intent	Baseline 2023/2024	Output Key Performance Indicators	Annual Target 2024/2025	Actual Achievement	Variance and Reasons	Corrective Action
Improved energy sustainability	1 MVA	EE4.12 Installed capacity of approved embedded generators on the municipal distribution network	Total capacity of one (1) MVA commissioned embedded generation plants on the Municipal network	1.13 MVA	0,13 MVA Positive variation, customer driven KPI	None
Outcome Indicators						
Improved access to electricity	54%	EE1.1. Percentage of households with access to electricity	90%	96.11% (Provided by Stats SA General Households Survey 2023 Embargoed until: 23 May 2024)	Not Applicable as per C88 template	Not Applicable as per C88 template
Improved energy sustainability	0,01	EE3.5 Average System Interruption Duration Index (ASIDI)	0	45,80	Not Applicable as per C88 template	Not Applicable as per C88 template
	87,56	EE3.6 Average System Interruption Frequency Index (ASIFI)	0	10,29	Not Applicable as per C88 template	Not Applicable as per C88 template
	8%	EE4.4 Percentage total electricity losses	0%	9,9%	Not Applicable as per C88 template	Not Applicable as per C88 template
-	-	EE4.5 Municipal electricity consumption per 10 000 of the population	100%	19 285 733,76	Not Applicable as per C88 template	Not Applicable as per C88 template

APPENDIX I: DISCLOSURE OF FINANCIAL INTERESTS

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
1	Speaker Clr Mathae (Bongani Lawrence)	NONE	NONE	Olwethu Family Trust	NONE	NONE	Sole Proprietor: Rethabile Bottle Store	NONE	NONE
2	Executive Mayor Clr Nithatisi (Gregory Mosala Solomon)	NONE	NONE	NONE	As per list of companies where I hold financial interests	NONE	Kalantha, Mangang Unites, Setbex, Khalanta, Zama properties & investment	NONE	As per retainers agreements with various parties / partners
3	Deputy Executive Mayor Clr Titi-Odili (Lulama Magdelina)	YES	Manziline	YES	NO	Manziline	YES	NONE	NONE
4	Council Whip Clr Nikelo (Vumile Edwin)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
5	Rules Clr Mokgothu (Tona Kenosi Wilfred)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
6	MPAC Clr Makoloane (Itumeng Justice)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
7	Petitions and Community Liaison Clr Morake (Molefi Andries)	Quick leap investments 120(PTY LTD)	NONE	NONE	Quick leap investments 120(PTY LTD)	NONE	NONE	6 vonk street, Fleurdal BFN R1.3M,20 Hugonoot street, willow Bfn R2 329 774, 83, 1884 Botshabelo H2 sec R 100 00.00, 19 H2 Botshabelo R 250 00.00, 42412 H1 sec Botshabelo R750 000.00	NONE

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
8	Remunerations Cilir Tladi (Motshewa Martha)	MEDIA 24	NONE	NONE	NONE	NONE	NONE	NONE	NONE
9	Public Places and Street Naming Cilir Mogotoane (Thabo Joel)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
10	Planning and Economic Development Cilir Jonas (Vuyelwa Eunice)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
11	Waste and Fleet Management Cilir Mosala (Mohlhokung Theodorah)	Tokologo safe and clean (PTY) LTD Sitrete General trading	NONE	NONE	Tokologo safe and clean (PTY) LTD Sitrete General trading	NONE	NONE	NONE	NONE
12	IDP and Performance Cilir Tsoleli (Sibongile Pearm)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
13	Engineering and Infrastructure Cilir Soqaga (Vusumzi Simon)	MTN	NONE	NONE	NONE	NONE	NONE	NONE	NONE
14	Finance Cilir Kruger (Caprice Logan)	CLK Training and Events PTY LTD	NONE	NONE	NONE	NONE	NONE	NONE	NONE
15	Human Settlements Cilir Nhlapo (Ntombi Anna)	IKUSASA DECOLONISATION LIBRAIES, THE graduate hub & Crescendo International Media	NONE	NONE	IKUSASA DECOLONISATION LIBRAIES, THE graduate hub & Crescendo International Media	NONE	NONE	NONE	NONE
16	Rural Development Cilir Twala (Pani Sidney)	PST Holding PTY LTD 100%	PST Holding PTY LTD	NONE	PST Holding PTY LTD	NONE	NONE	NONE	NONE

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
17	Community Services Clir Qai (Alfred)	Nomzindlawe Support and Project	NONE	NONE	Office of the Speaker	NONE	NONE	NONE	NONE
18	Corporate Services Clir Letawana (Mantseu Maria)	NONE	Kgabaiso General Trading	NONE	NONE	NONE	SANLAM, DISCOVERY	NONE	NONE
19	Cll Bothma (Andries Francois)	NONE	NONE	NONE	NONE	NONE	NONE	Residential Property 10 general Klopper, Bloemfontein	NONE
20	Clir Bouwer (Chadwine Lyle)	25.5%	YES, I am a member of a closed corporate	YES, in two companies in the retail industry	YES in companies in the retail industry	YES, 25.5% Shares	YES own a property	NONE	NONE
21	Clir Davies (Maryke)	NONE	NONE	Marais Familie Trust M&M Eiendoms Trust (Trustee)	NONE	Husband Morgan Lloyd Davies	49 Hillside View town house complex	NONE	NONE
22	Clir De Bruin (John Matthews)	NONE	Founder R 5000.00	NONE	NONE	NONE	NONE	Econo Foods, Food Fowakd, Standard bank Pick n Pay	NONE
23	Clir De-Huis (Dikeledi Jane)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
24	Clir De Kock (Valerie Belinda)	NONE	NONE	NONE	NONE	NONE	NONE	Homeowner: 2 Jurgens Potgieter STR, Fleurdal, BFN	NONE
25	Clir Denner (John Henry)	Farm Affairs PTY LTD – 50%	NONE	NONE	Datacure PTY LTD -100%	NONE	Salary from skigrow (General Manager)	Homeowner – 42 Van der Stel, Dan Pienaar, Bloemfontein	NONE
26	Clir Dennis (Magdalene Elizabeth)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
27	Clir Ferreira (Thomas Ignatius)	Vets @ haldon Animal Hospital	NONE	NONE	NONE	NONE	Vets @ haldon Animal Hospital	5 Gluckman, Wilgehof, Bloemfontein	NONE
28	Clir Klaasen Raynie Sarah	R120 000	NONE	NONE	NONE	NONE	NONE	R280 000	NONE
29	Clir Letsoko (Mantwa Sanah)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

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30	Cllr Lipale (Gopolang Jeremiah)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
31	Cllr Makau (Pitso Elias)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
32	Cllr Malebo (Deliwe Letitia)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
33	Cllr Maliela (Motiki Edwin)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
34	Cllr Matobole (Mosala Abel)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
35	Cllr Matsoetlane (Madiataba Joyce)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
36	Cllr Mogotsi (Mamah-lape Elisa)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
37	Cllr Mohlamme (Lebohlang Lerato)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
38	Cllr Mokoena (John Itumeleng)	Ten alliance Investments, Mokoena legacy investments Spiricap PTY LTD, CAP	Re abusa Properties CC- Sesin Management Services	Mokoena Family Trust, Koemalaka Trust	Bloemfontein Correctional Contracts, Ten Alliance Investments,	NONE	NONE	11 Williams Trollop Crescent, Houweisig, 19 Tibbie Visser Ave, Estoire	NONE
39	Cllr Mongale (Mojalefa William)	SEI Shareholding	NONE	NONE	NONE	NONE	NONE	NONE	NONE
40	Cllr Moreeng (Kabelo Christopher)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
41	Cllr Mshakazane (Eunice Xoliswa)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
42	Cllr Njiva-Lebajoa (Mamotse)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
43	Cllr Phohleli (Tsholwane Eddy)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
44	Cllr Ramatlama (Mpho Joseph)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
45	Cllr Rampai (Pule Joseph)	Divine Campus Christian College	NONE	NONE	Divine Campus Christian College	NONE	NONE	NONE	NONE
46	Cllr Rammile (Tumelo Kingsley)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
48	Cllr Sebolao (Jankie Elisha)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization	
49	Cilr Shale (Nkahliseng Reginah)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	
50	Cilr Snyman van Deventer (Elizabeth)	4Sight R1 071,72; Accelerate Property Fund Ltd R685,20; Adcock Ingram R581,44; African Dawn Capital Ltd R1 00,37; African Equity Empowerment Investment Limited R351,39; African Media Entertainment Limited R255,33; ARC Investments R2 215,82; African Rainbow Minerals Limited R1 413, 18; Afrimat Limited R428; All Joy R68,82; Alexander Forbers R2 137,98; Alphamin Resources Corporation R3418,81; Altron Limited R2 410,07; Anglo American R3 885,86; AngloGold Ashanti R1 304,35• ArcelorMittal R426,46•, AVI Limited	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
	R337,96*, Citilodge Hotels Ltd R2 198; Curro Holdings R2 408,88.								
	Dis Chem Pharmacies R1440,51; E Media Holdings R388,35*, ECIO								
	R3 987,04*, exxaro R1031,05*, Fairvest Ltd A R428,89*, FNB R512,82;								
	FNB World Government Bond EFT RI 954, 16; Grindrod Limited								
	R603,38*, Growthpoint Properties Ltd RI R1 223,59*,								
	Homechoice R444 83*, Italtile Ltd R2 225,25*, Jubilee Platinum R285,25*,								
	Kep R261,21*, Life Group RI 177,73*, MTN RI 407,11; Nedbank								
	RI 303,85; Netcare R666,09; Orion Minerals RI 444,42; OUTsurance								
	R492,89; Pepkor Ltd RI 349,73; Pick n Pay Stores Ltd R349,01*, Purple.								
	Group Ltd R 132,24; Rainbow Chickens R411,65; Raubex RI 239,71 ;								

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
	Reitway R735.23; Remgro Ltd R1 280,52*, Renergen R146*, Sa- trix Nasdaq 100 Feeder Portfolio R1 053, 99; Shoprite R2 216,08; South Ocean Holdings R209,60; Southern Sun R633,81*, spur Corpo- ration R1 976,62*, Standard Bank R933,40*, Tellidor R588,96*, Vodacom R869,75*, Wesizwe R415,25*, York Tim- bers R366,50*, Zeder R538,46*, Bidvest Prime Growth Unit Trust R978,64								
51	Cllr Swartz (Sophia Mameitjie)	NONE	NONE	NONE	NONE	NONE	NONE	Own residence	NONE
52	Cllr Terblanche (Arthur Phillip)	NONE	NONE	NONE	NONE	NONE	NONE	37 Pellissier BFN	NONE
53	Cllr Thomas (Johannes Beleme)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
54	Cllr Viviers (Benhardus Jacobus)	178787/21 TA Hani Van Rensburg Attorneys	061136/23 TA		Director at Horn, Van Rensburg Attorneys	NONE	MMM Councillor	50% Unit 23 Westdene	NONE
55	Cllr Vorster (Braam)	Bloemendaen (PTY) LTD (50%)	NONE	Ventersrus Family Trust (Beneficiary)	Bloemendagen (PTY) LTD	NONE	NONE	Owner, James-town, Eastern Cape	NONE
56	Cllr Vewege (Mare-Lize)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
57	Cllr Sefaki (Samuel)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
58	Cllr Machachamise (Tshepiso Oudious)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
59	Cllr Supi (Mahoko Harold)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
60	Cllr Lecoko (Lehlohonolo Nathaniel)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
61	Cllr Molloa (Tshidiso Petrus)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
62	Cllr Sehloho (Siza Clement)	NONE	NONE	NONE	NONE	NONE	Renting Rooms	Rooms Renting	NONE
63	Cllr Nyaphudi (Likeleli Julia)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
64	Cllr Tlhakung (Bety Masethabo)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
65	Cllr Setlai (Teboho Lesley)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
66	Cllr Hashatsi (Rafedile)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
67	Cllr Siteo (Nombulelo Dorcas)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
68	Cllr Lekgetho (Lebo-gang Winston)	100%	Ool outdoor Trading 2019/103945/07	NONE	NONE	NONE	NONE	NONE	NONE
69	Cllr Mohibidu (Pulane Martha)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
70	Cllr Monatle (Mampone Sally)	Canna products Muthishop 30% ownership	NONE	NONE	NPO to African Healing systems	Lakeview Oasis east house 20% share	NONE	Unfinished place of safety for Abused Women	NONE
71	Cllr Van Noord Gregory Owen	Share on JSE via broker services. 2380 ACL, 1500BLU, 320 EOH, 173 FSR, 225 IMP,67000K-BO,150MTN,15000 ORN,751 SLM,200 STXGVI, 65STX-WDM	NONE	NONE	NONE	NONE	Employee of Nedbank in the group Technology Division	Residence Erf 18053, Bloemfontein	NONE
72	Cllr Peter (Seth Qondile)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
73	Cllr Van Rensburg (Coritze)	NONE	NONE	NONE	NONE	NONE	NONE	12 Ladysmith Street BFN and 7 Glen Gary Churchhill Ave DBN	NONE
74	Cllr Lotriet (Pieter Adam)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
75	Cllr Cronje Jan-Hendrik	NONE	NONE	Trustee- DL Cronje Familie Trust – IT 002375/2013(K)	NONE	NONE	Practicing Attorney at Van Wyk & Preller Attorneys (Salary and commission earnings monthly)	Co-Owner – 16 Puzzle bush close, Puzzle bush Blvd, wild Olive Estate	Deputy President of Freees State Rugby Union- Annual Honorarium
76	Cllr van der Walt (Tjaart Botha)	NONE	NONE	NONE	NONE	NONE	NONE	1 Townhouse	NONE
77	Cllr Kotze (Gerhardus Dirk Petrus)	NONE	NONE	NONE	NONE	NONE	NONE	7 Eksteen sir Fichardpark	NONE
78	Cllr van Niekerk (Hendrik Johannes Christiaan)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
80	Cllr Banyane (Zachous Nechodemus)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	Yes Free State Karate Federation
81	Cllr Matsephe (Dikololo Elias)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
82	Cllr Tukula (Teboho Daniel)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
83	Cllr Mabena (Mere Joel)	MTN Phothoma, Johnic Investments	NONE	NONE	Jonear, Zestra	NONE	NONE	NONE	NONE
84	Cllr Menyato (Thabang Victory)	NONE	YES	NONE	YES	NONE	YES	YES	NONE
85	Cllr Mohono (Tshidiso Augustine)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
86	Cllr Tshwane (Kabi Daniel)	NONE	NONE	NONE	NONE	NONE	Trading Forex	NONE	NONE
87	Cllr Fantisi (Teboho Samuel)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
88	Cllr Ramolelle (Mmota Simon)	100%	Simra Innovation	NONE	Director	NONE	NONE	NONE	NONE
89	Cllr Matsoso (Molahloane Florenciah)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
90	Cllr Pholoholo (Ntebaleng Pertunia)	NONE	YES	YES	NONE	NONE	NONE	NONE	NONE

#	NAME	Shares and securities in any company	Membership of any close corporation	Interest in any trust	Directorships	Partnerships	Other financial interest in any business undertaking	Interest in property	Subsidies, grants and sponsorships by any organization
91	Cllr Dintlwane (Manjia Agnes)	100%	YES, Nitemoseg General Trading	NONE	YES	NONE	Joe's Tavern & Joe's Bottle Store	12044 Serwalo Thabanchu 12114 Serwalo Thabanchu	NONE
92	Cllr Mothupi (Maqoma Lazarus)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
93	Cllr Nkiane (Mpho Elizabeth)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
94	Cllr Pretorius (Selme)	NONE	NONE	Neil Pretorius familie Trust R800 000.00	NONE	NONE	NONE	5 Vrehel street Dan Plenaar, BFN R2 00 00.00	NONE
95	Cllr Mathe (Lisiwe Jeanette)	NONE	NONE	NONE	NONE	NONE	TAXI Industry	NONE	NONE
96	Cllr Majoro (Mpho Samuel)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
97	Cllr Pretorius (Johannes Christiaan)	100% - Xgraties PTY LTD	NONE	NONE	Xgraties Design Studio PTY LTD	NONE	NONE	7 Dias Cresent, Dan Plenaar	NONE
9	Cllr Lekhwele (Mohanuwa Julia)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
100	Cllr Monare (Thabo Nicholas)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
101	Cllr Mohlatsi (Mamoorosi Margaret)	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

APPENDIX J: REVENUE COLLECTION PERFORMANCE BY VOTE 2023/2024

Vote Description	30/06/2024	30/06/2025			
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual
R thousands					
Revenue by Vote					
Vote 01 - Office Of The City Manager	61	585	585	-	135
Vote 02 - Office Of The Executive Mayor	-	550	550	86 957	86 957
Vote 03 - Corporate Services	4 576 348	27 429 284	27 429 284	580 797	7 948 740
Vote 04 – Finance	1 932 595 002	2 062 574 700	2 062 574 700	225 909 956	1 688 084 109
Vote 05 - Community Services	547 572 058	564 725 059	564 725 059	98 304 735	502 937 627
Vote 06 - Planning And Human Settlement	96 589 590	52 158 116	64 908 116	3 343 692	38 947 720
Vote 07 – Economic and Rural Development	35 292 336	35 934 822	35 934 822	2 867 076	28 480 102
Vote 08 – Roads and Transport	15 837 467	19 256 880	22 193 760	1 727 750	11 022 161
Vote 09 – Water and Sanitation	2 779 541 617	2 968 533 106	2 968 533 106	356 436 444	2 515 363 701
Vote 10 – Municipal General	1 522 911 382	1 783 622 166	1 767 766 471	217 667 544	1 023 041 114
Vote 11 - Public Safety and Security	820 929	28 490 256	28 490 256	1 521 789	11 530 629
Vote 12 – Centlec	3 398 832 007	4 272 241 497	4 642 220 731	265 938 021	2 770 386 966
Total Revenue by Vote	10 334 568 797	11 814 967 021	12 184 777 440	1 174 384 762	8 597 829 961

APPENDIX K: DISCLOSURE OF FINANCIAL INTERESTS MUNICIPAL MANAGER and MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

Disclosures of Financial Interests		
Period 01 July 2024 to 30 June 2025		
Position	Name	Declarations
City Manager	Mr S J More (Sello Johannes)	Submitted
Head: Community Services	Dr K T Thinda (Karneels Thabang)	Submitted
Head: Technical Services	Mr I R Masobeng (Itumeleng Revelation)	Submitted
Head: Corporate Services	Mr M V Duma (Mokete Victor)	Submitted
Head: Planning, Economic and Rural Development, & Human Settlements	Ms N Chakane (Nokuthula)	Submitted
Head: Public Safety & Security	Mr K I Kgamanyane (Ketsebae Israel)	Submitted

Head: Project Management Office	Mr L X Ntoyi (Luvuyo Xola)	Submitted
Chief Financial Officer	Ms Z L Thekisho (Zuziwe Lydia)	Submitted

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Grants Received	Budget
Urban settlement development grant	516 538
Informal Settlement Upgrading Partnership	298 544
Neighbourhood development grant	2 042
Public transport infrastructure and network systems grant	202 160
Disaster Management	-
Electricity Public Contribution	14 000
TOTAL	1 033 284

APPENDIX M: CAPITAL PROGRAMME BY PROJECT (2024/2025)

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
EQUIPMENT DISABLED PERSONS	100 000	-	-	-	-	-	0
TRAINING & DEVELOPMENT	800 000	-	-	-	-	-	0
DIGITAL RADIO SYSTEM	1 100 000	2 100 000	-	-	546 125	1 553 875	26
IMPLEM BUSINESS CONT DISASTER RECOV INF	500 000	10 500 000	13 608 865	-	13 608 865	(3 108 865)	129,6
UPGRADE & REFURB COMPUTER NETWORK	4 000 000	4 000 000	418 571	-	3 813 107	186 893	95,32
METER PROJECT	30 000 000	40 000 000	5 893 937	-	41 325 654	(1 325 654)	103,31
VENDING BACK OFFICE	6 000 000	6 000 000	-	-	9 825 750	(3 825 750)	163,76
ELECTRIFICATION PROJECTS (ISUPG)	24 700 000	37 700 000	10 273 432	-	37 524 612	175 388	99,53
ELECTRIFICATION (USDG GRANT)	10 360 000	25 360 000	11 598 603	-	25 032 653	327 347	98,7
UPGRADE 132/11KV 20MVA DC SHANNON B	8 000 000	8 000 000	-	-	-	8 000 000	0
SECURITY EQUIPMENT (CCTV)	12 300 000	12 300 000	-	-	12 086 188	213 812	98,26
ELECTRIFICATION INTERNAL PROJECTS	6 000 000	6 000 000	-	-	5 959 352	40 648	99,32
EXTENSION AND UPGRADING OF THE 11KV NETW	4 000 000	4 000 000	28 879	-	3 168 150	831 850	79,2
BOTSH: UPG SUB W (C)WORK BW 2ND TRA S/D	15 000 000	15 000 000	-	-	-	15 000 000	0
BLOEM: CY-EST 33/11KV 20MVA FIRM SUPDC	21 000 000	21 000 000	1 633 764	-	9 600 247	11 399 753	45,71
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	5 000 000	5 000 000	5 880 359	-	5 880 359	(880 359)	117,6
PUBLIC ELECTRICITY CONNECTIONS	14 000 000	14 000 000	2 068 476	-	8 617 742	5 382 258	61,55
PUBLIC ELECTRICITY CONNECTIONS	-	-	-	-	369	(369)	0
UPGRADING AND EXTENTION OF LV NETWORK	3 000 000	3 000 000	-	-	2 987 841	12 159	99,59
SERVITUDES LAND (INCL INVEST REMUNE REG	700 000	700 000	1 196	-	73 224	626 776	10,46
INSTALLATION OF PUBLIC LIGHTING	6 000 000	6 000 000	-	-	5 855 198	144 802	97,58
INSTALL PREPAID METERS	500 000	500 000	-	-	443 519	56 481	88,7
ESTABLISHMENT OF NEW 30MWP SOLAR FARM	5 000 000	5 000 000	-	-	-	5 000 000	0
REPLACE DECRYPT CABLES MV-HV	7 000 000	7 000 000	5 899	-	6 940 698	59 302	99,15
REMEDIAL WORK 132KV SOUTHERN LINES	10 000 000	10 000 000	-	-	4 602 256	5 397 744	46,02
SHIFTING OF CONNECTION AND REPLACEMENT S	2 005 275	2 005 275	-	-	484 559	1 520 716	24,16
REFURBISHMENT OF HIGH MAST LIGHTS	5 029 525	5 029 525	-	-	5 709 129	(679 604)	113,51
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	700 000	3 200 000	179 771	-	2 402 426	797 574	75,07
REP BRITTLE OVERHEAD CONNECTIONS	850 000	850 000	-	-	850 203	(203)	100,02
REPLACE DECRYPT CABLES MV-HV	5 000 000	5 000 000	343 348	-	692 665	4 307 335	13,85
S/LIGHTS REPLACE POLE TRNS POLES SECTION	3 000 000	6 000 000	5 420 165	-	9 082 395	(3 082 395)	151,37
PROTECTION TEST UNIT	2 000 000	2 000 000	-	-	-	2 000 000	0
REPLACEMENT OF 110V BATTERIES	1 500 000	1 500 000	-	-	-	1 500 000	0

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
REPLACEMENT OF 11KV SWITCHGEARS	2 000 000	4 000 000	289 798	-	840 452	3 159 548	21,01
REPLACEMENT OF 32V BATTERIES	1 500 000	1 500 000	-	-	-	1 500 000	0
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 000 000	2 200 000	317 020	-	430 114	1 769 886	19,55
TRANSFORMER REPLACE & OTHER RELATED EQUI	11 500 000	14 500 000	1 055 932	-	9 526 915	4 973 086	65,7
INSTALLATION OF HIGH VOLTAGE TEST EQUIPM	2 500 000	4 500 000	2 633 745	-	2 633 745	1 866 255	58,52
REPLACEMENT OF OIL PLANT	1 000 000	1 000 000	-	-	459 115	540 885	45,91
REPAIR MMM DIST DIST CENTRE	2 500 000	2 500 000	-	-	1 299 375	1 200 625	51,97
REPAIR VISTA DIST DIST CENTRE	26 000 000	26 000 000	8 791 908	-	16 306 622	9 693 378	62,71
VEHICLES	7 000 000	5 000 000	-	-	-	5 000 000	0
INTER COMPANY - INTEGRATED NAT. ELEC (M	2 000 000	3 500 000	-	-	305 812	3 194 188	8,73
FURNITURE AND OFFICE EQUIPMENT	1 700 000	2 200 000	240 148	-	2 068 579	131 421	94,02
VAN STADENSRSUS - NEW MULTIPURPOSE CENTRE	5 000 000	8 000 000	1 641 500	-	8 442 475	(442 475)	105,53
PUBLIC CONNECTIONS	-	-	-	-	23 623	(23 623)	0
METER PROJECTS	-	-	-	-	203 305	(203 305)	0
PROCURE CAMERAS & EQUIPMENT	-	200 000	16 964	-	16 964	183 036	8,48
MEDICAL EQUIPMENT	500 000	400 000	-	-	327 539	72 461	81,88
CLEANING EQUIPMENT	652 700	752 700	664 596	-	664 596	88 104	88,29
ST&BY GENERATORS MUNICIPAL BUILDING	2 000 000	-	-	-	-	-	0
INSTALL SOLAR PANEL (PV)- MUN BUILDINGS	2 000 000	4 000 000	-	3 268 896	-	4 000 000	0
ACCES CON EQUIP B/FISCHER & 6 OTH BUILD	1 000 000	480 000	-	-	-	480 000	0
FURNITURE	1 500 000	1 960 000	95 518	886 711	784 252	1 175 748	40,01
REFURB OF REFRIGE FRESH PRODUCE MARKET	2 000 000	2 000 000	-	-	-	2 000 000	0
FENCING HIST BUILD B/FISPRECINCT	1 000 000	1 000 000	342 507	-	342 507	657 493	34,25
REFURB GABRIEL DIC BUILD & PRES: MET POL	3 000 000	3 000 000	-	-	-	3 000 000	0
REFURB OF HVAC SYSTEM: BRAM FISHER	2 000 000	2 000 000	-	-	-	2 000 000	0
HEAVY DUTY STAPLER	300 000	320 000	-	-	-	320 000	0
ICT SECURITY	1 082 103	1 082 103	-	-	-	1 082 103	0
DATA PROJECTORS	600 435	35	-	-	-	35	0
DATA CENTRE INFRASTRUCTURE	12 000 000	-	-	-	-	-	0
DESKTOPS AND LAPTOPS	6 000 000	8 856 900	31 665	-	3 473 009	5 383 891	39,21
ICT NETWORK EQUIPMENT	2 446 165	189 665	149 798	39 800	149 798	39 867	78,98
REHAB OF NORTHERN LANDFILL SITES	38 560 064	7 260 064	3 811 987	2 032 301	4 302 499	2 957 565	59,26
DEVELOPMENT OF NEW LANDFILL SITE	4 792 287	-	-	-	-	-	0
UPGRADE AND REFURB BOTSH LANDFILL SITES	500 000	900 000	-	391 288	160 284	739 716	17,8

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
UPGRADE REFURB SOUTHERN LANDFILL SITES	1 000 000	1 650 000	-	825 671	150 669	1 499 341	9,13
NEW FENCE AT SOUTHERN LANDFILL SITE	3 000 000	9 000 000	1 865 113	3 428 527	4 386 972	4 613 028	48,74
REFUSE BINS FOR CBD'S IN METRO	820 000	820 000	-	-	710 950	109 050	86,7
PURCHASE OF ANIMALS	-	1 400 000	-	-	-	1 400 000	0
DEVELOPMENT OF NALISVIEW CEMETERY	9 000 000	9 000 000	694 702	-	694 702	8 305 298	7,71
REPLACEMENT FENCE - SOUTH PARK CEMETERY	7 500 000	7 500 000	878 780	152 850	7 291 664	208 336	97,22
FENCING OF GRAVEYARD MEMORIUM	-	2 322 664	-	-	-	2 322 664	0
GARDE DEV- BRAM FISC BUILD /HALL GAB DIC	500 000	677 034	222 952	18	677 015	19	99,99
CITY ENT BEAUTIFICATION - NEL MANDELA DR	-	1 687 650	144 540	1 543 110	144 540	1 543 110	8,56
CITY ENT BEAUTIFICATION - RAY MHLABA RD	1 500 000	1 500 000	(700 453)	700 453	-	1 500 000	0
CITY ENT BEAUTIFICATION - MASELSP DR	1 800 000	-	-	-	-	-	0
DEVELOPMENT OPEN SPACE	1 500 000	-	-	-	-	-	0
RECREATION OF PARKS - VISTA PARK	-	1 380 861	955 203	-	955 203	425 659	69,17
REGIONAL PARK DEVELOPMENT - BATHO	1 500 000	-	-	-	-	-	0
UPGRADING THE PARK NEXT THE BOTS MALL	-	2 066 806	676 690	1 390 116	676 690	1 390 116	32,74
INDUSTRY TRANSFORMATION (TAXI ADVISORY)	-	1 000 000	-	-	-	1 000 000	0
INTERIM-BUS DEPOT-L	-	7 900 000	-	-	-	7 900 000	0
NON-MOTORISED TRANSP (SIDEWALKS CYCLEW	-	5 000 000	-	-	-	5 000 000	0
IPTN PHASE 2 - TRUNK ROUTE	31 959 742	-	-	-	-	-	0
IPTN BUS DEPOT - BUILDING WORKS	42 600 000	-	-	-	-	-	0
OPEN BUS STATIONS (BUS STOP SHELTER)	25 700 000	960 000	-	-	-	960 000	0
INDUSTRY TRANSFORMATION	72 500 000	2 400 000	-	-	1 800 000	600 000	75
IPTN BUS FLEET	26 400 000	50 000 000	-	-	-	50 000 000	0
PRELIM + DETAILED INFRASTR DESIGN	3 000 000	11 100 000	953 020	985 113	7 029 861	4 070 139	63,33
MOBILE SHELVING STATION	700 000	-	-	-	-	-	0
STORAGE SYSTEM BUILDING PLANS BRAM FISC	1 200 000	1 900 000	1 797 305	98 479	1 797 305	102 695	94,59
LAND SURVEYING FARM KLIPFONTEIN	1 115 000	915 000	-	821 890	-	915 000	0
FORMALISATION OF INFILL PLANNING	5 000 000	2 054 144	72 714	414 574	1 286 235	767 909	62,61
LAND SURVEYING BOTSHABELO K	735 000	1 545 356	-	-	1 467 468	77 888	94,95
TOWNSHIP ESTABLISH PORT 3 SELOSESHA 900	2 533 333	3 213 333	1 284 000	-	3 210 000	3 333	99,89
SURVEYING MOROJANENG	2 000 000	-	-	-	-	-	0
TOWNSHIP ESTAB REMAINDER FARM BOTSH 826	2 400 000	2 405 500	801 804	6	2 405 410	90	99,99
TOWNSHIP ESTABLISHMENT MOROJANENG	1 000 000	650 000	310 224	2	620 449	29 551	95,45
TOWNSHIP ESTABLISHMENT FARM X2727	300 000	1 470 000	246 000	5 600	1 246 330	223 670	84,78

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
LAND SURVEYING FARM X2727	2 170 000	-	-	-	-	-	0
TOWNSHIP ESTABLISHMENT FARM KLIPFONTEIN	-	1 237 436	902 024	174 007	902 024	335 412	72,89
LAND SURVEYING FARM GRASSLAND	300 000	-	-	-	-	-	0
T/SHIP EST GRASSLAND	150 000	-	-	-	-	-	0
LAND SURVE REMAINDER FARM VEEKRAAL 605	1 600 000	-	-	-	-	-	0
T/SHIP ESTABL REMAIN FARM VEEKRAAL 605	800 000	-	-	-	-	-	0
FIRE STATION BOTSHABELO	20 000 000	26 300 000	6 252 628	382 806	25 665 256	634 744	97,58
CONSTRUCTION OF A NEW COMMUNITY CENTRE I	15 000 000	14 765 927	7 180 433	1 257 094	12 654 977	2 110 950	85,7
KLEIN MAGASA HERITAGE PRECINCT REHABILIT	2 000 000	-	-	-	-	-	0
NAVAL HILL ENTRANCE GATE DESIGN UPGRADE	1 500 000	-	-	-	-	-	0
FENCING OF FARMS AND COMMONAGES	1 950 000	1 950 000	-	6 626	219 439	1 730 561	11,25
GROUNDWATER AUGMENT(BOREHOLE WINDMILLS)	1 750 000	1 750 000	-	1 750 000	-	1 750 000	0
HAWKING STALLS BOTSHABELO-L	1 000 000	2 500 000	678 127	65 250	2 166 784	333 216	86,67
MARKET TOWING TROLLEYS	1 000 000	750 000	-	748 440	-	750 000	0
L/PARK (100)INST WATER INT SEWER RET	8 000 000	2 050 000	-	687 436	1 212 564	837 436	59,14
VISTA-PARK 2 -INSTALL CIVIL & ELEC INFRA	-	-	(1 245 022)	1 245 022	(1 245 022)	1 245 022	0
MATLHAR W&S _INSTAL W & S (3108 U)	1 000 000	550 000	-	550 000	-	550 000	0
SEROALO EXT 26 - INSTALLATION OF W & S (1	8 842 597	138 097	-	65 140	72 957	65 140	52,83
KLIPFONTEIN WATER CONNECTIONS	500 000	-	-	-	-	-	0
SONDERWAT PH 2 80/INST WATER INT SEW RET	5 089 120	717 966	-	1 560 000	(842 034)	1 560 000	-117,28
MKHONTO ERF 32109 - INS RETIC (111 U)	14 609 289	3 904 229	1 019 258	2 592 971	1 019 258	2 884 971	26,1
FLEURDAL INFILL - SERVICES (21 U)	-	-	-	-	(171 599)	171 599	0
SOUTPAN (IKGOMOTSENG) WATER SEWER CONST	11 953 583	14 003 583	1 658 210	3 660 668	8 601 487	5 402 096	61,42
THABANCHU EXT.27 RATAU WAT SEWER CONST	22 219 080	6 389 020	-	2 083 207	319 080	6 069 940	4,99
RATAU HLAM WAT & SEW- ALT SYSTEM (114 U)	5 640 000	-	-	-	-	-	0
ALT SEWER SOLUTIONS INMAL SETTLEMENTS	5 000 000	-	-	-	-	-	0
SECTION T INSTAL SEWER	4 000 000	1 200 000	-	0	1 022 294	177 706	85,19
SECTION C WATER & SEWER	3 000 000	-	-	-	-	-	0
SECTION N INSTAL WATER & SEWER	3 000 000	2 795 709	434 206	324 482	1 560 877	1 234 832	55,83
TURFLAAGTE ZCC	6 704 608	-	-	-	-	-	0
SOUTPAN WATER AND SANITATION CONSTRU	400 000	400 000	-	-	-	400 000	0
VISTA PARK 2	15 000 000	-	-	-	-	-	0
VISTA PARK 3	35 000 000	17 998 000	-	-	-	17 998 000	0
PURCHASE OF LAND	-	25 800 000	-	-	-	25 800 000	0

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
BLOEMSIDE 9/10-INSTA W&S RETIC 200 UNITS	1 000 000	-	-	-	-	-	0
BLOEMSIDE 7 - INST W & S RETIC:500 UNITS	20 000 000	1 047 678	-	-	-	1 047 678	0
SOUTPAN - INSTALL RETIC (22 U)	-	-	-	-	(0)	0	0
SOUTPAN - INSTALL RETIC (22 U)	-	-	(29 000)	29 000	(29 000)	29 000	0
BLOEMSIDE 4510 - INSTAL WATER & SANIT	11 399 083	3 843 683	-	3 062 691	355 749	3 487 934	9,25
BLOEMSIDE 4510 - ROADS & STORWATER	6 000 000	-	-	-	-	-	0
TAMBO SQUARE - INSTAL WATER AND SEWER	7 200 000	37 500	-	37 500	-	37 500	0
ACQUIS LAND INFORMAL SETTLEME RELOCATE	9 000 000	17 043 502	-	-	-	17 043 502	0
BOTSHB SEC R - INSTALL WATER (1000 U)	21 500 000	6 139 169	-	3 784 874	815 294	5 323 875	13,28
DEWETSDORP EXT 7 WATER & SEWER CONSTRUCT	4 000 000	3 037 245	852 657	605 102	1 932 143	1 105 102	63,61
BOTSHB SEC D - INSTALL SEWER RETIC(100U)	1 000 000	-	-	-	-	-	0
BOTSHB SEC M - INSTALL SEWER RETIC(100U)	1 000 000	1 500 000	-	-	-	1 500 000	0
FREEDOM SQUARE & MARIKANA WATER & SEWER	300 000	18 999 500	3 533 076	15 466 424	3 533 076	15 466 424	18,59
DEWETSDORP WATER AND SEWER	18 456 955	19 324 330	4 844 907	-	13 586 654	5 737 676	70,3
BOTS SEC H1708 & G1011-INSTAL WATER & SEW	12 764 280	7 613 780	-	4 758 948	380 658	7 233 122	4,99
BOTS SECTION E1905 - INSTALL WATER & SEW	3 387 825	1 699 325	-	453 000	-	1 699 325	0
REFURBISHMENT MANAGEMENT SYSTEM: R & S	1 864 490	4 000 000	2 375 344	-	4 000 000	-	100
SECTION R ACCESS ROAD & BRIDGE	9 000 000	9 603 841	-	1 618 329	1 381 671	8 222 170	14,38
GRASSL & PH 4 - ROADS & S/WATER	8 000 000	6 775 666	286 271	1 113 474	1 946 526	4 829 140	28,72
BOTS WEST - INSTAL MAIN ROADS/ S/WATER	9 000 000	13 268 386	696 287	1 431 300	9 925 838	3 342 548	74,8
PROVISION OF ROADS AND STORMWATER	5 000 000	1 932 000	1 135 340	60 232	1 871 768	60 232	96,88
REHABILITATION OF ROADS	5 000 000	1 549 725	241 187	-	480 098	1 069 627	30,97
T1428A MAN RD 198 199&200 BOCH	5 000 000	1 200 000	-	1 200 000	-	1 200 000	0
T1430C 7TH STR BOTSHB SECTION H	-	-	(0)	-	(0)	0	0
T1432 MAN 10786 BERGMAN SQUARE	4 872 011	309 000	282 307	26 693	282 307	26 693	91,36
T1522 THA RD 2029 2044 & 2031 UPG	6 824 285	4 103 000	829 579	1 299 547	1 556 173	2 546 827	37,92
T1523 BOT RD 304 305 308 SECTION G UPG	2 944 553	377 000	-	-	-	377 000	0
T1524 BOT RD 437 SECTION A UPG	7 518 256	-	-	-	-	-	0
T1527B BOCHABELA STS UPG	5 000 000	8 854 085	5 460 754	2 948 946	5 905 139	2 948 946	66,69
T1527C BOCHABELA STS UPG	3 500 000	5 318 445	2 580 488	2 294 109	3 024 336	2 294 109	56,86
T1528 MAN RD 11388 & 11297 JB MAFORA UPG	3 490 787	1 500 000	911 424	588 576	911 424	588 576	60,76
UPG STORMWATER SYSTEMS MMM	-	-	-	-	(755 831)	755 831	0
T1534 VERENIGING AV EXT BRIDGE OVER RAIL	-	-	-	-	(0)	0	0
T1534B VERENIGING AVENUE EXT ROADS	1 000 000	-	-	-	(0)	0	0

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
T1536 HEAVY REHAB ZASTRON ST	5 000 000	4 799 115	680 469	1 820 416	2 929 584	1 869 531	61,04
T1537 HEAVY REHAB NELSON M&ELA ST	10 000 000	-	-	-	-	-	0
T1539 UPGRADE TRAFFIC INTERSECTIONS	6 809 983	6 594 159	2 394 305	4 168 464	2 425 695	4 168 464	36,78
SAND DU PLESSIS RD: ESTOIRE	1 604 833	-	-	-	-	-	0
VISTA PARK: BULK ROADS STORMWAT: UPGRADE	16 092 129	-	-	-	-	-	0
STORMWATER REFURBISHMENT	6 353 483	12 099 601	3 740 427	6 364 851	5 734 750	6 364 851	47,39
BATHO UPGRADING OF ROADS AND STORMWATER	5 509 213	717 213	-	717 213	-	717 213	0
GABIONS REPLACE DAMAGED CULVERTS ROADS	-	2 694 305	781 582	870 718	1 823 587	870 718	67,68
REGRAV ROAD & REPAIRING SW CANAL	-	2 290 000	797 268	1 039 342	1 250 658	1 039 342	54,61
CULVERTS ON THE S/W CANAL FOR ACCESS A	-	1 492 269	999 568	1	1 492 268	1	99,99
CULVERTS ON THE S/W CANAL FOR ACCESS B	-	1 043 986	1 015 286	28 700	1 015 286	28 700	97,25
REINSTALL 450MM DIAMETER CULVERTS	-	4 343 745	3 761 777	89 268	4 254 477	89 268	97,94
REFUR DAMAGED STONE PICTING INST GABIONS	-	280 000	279 976	24	279 976	24	99,99
T1433 BAINSVLEI M/WATER BULK SWATER UPG	2 196 312	-	-	-	-	-	0
VEHICLES	20 000 000	30 228 726	27 315 492	-	27 315 492	2 913 234	90,36
REFURBISHMENT ALL FUEL DEPOTS	4 200 000	4 200 000	-	-	-	4 200 000	0
GIS SYSTEM INFORMATION UPDATE	194 233	194 233	178 200	15 933	178 200	16 033	91,74
BLOEMSPRUIT URGENT REFURBISHMENT	5 000 000	8 000 000	1 849 202	3 977	7 996 023	3 977	99,95
BOTS SEC K PUMPSTATION & RISING MAIN	7 903 936	936	-	-	-	936	0
UPG BULK SEW LINE SONDERWAT & CHRIS HANI	1 000 000	2 395 000	-	2 395 000	-	2 395 000	0
BOTSHABELO MAIN OUTFALL SEWER	30 000 000	30 000 000	1 251 205	6 765 914	23 234 086	6 765 914	77,44
REFURBISHMENT OF SEWER SYSTEMS SOUTPAN	500 000	500 000	-	-	-	500 000	0
SOUTPAN BULK OUTFALL SEWER	416 214	416 214	-	-	-	416 214	0
MMM WWTW REFURBISHMENT	10 000 000	25 049 000	4 134 626	-	24 425 681	623 319	97,51
WATER BORNE SANITATION MANGAUNG WARD 8	2 546 125	946 125	-	381 945	564 180	381 945	59,63
WATER BORNE SANITATION MANGAUNG WARD 17	2 546 125	1 000 125	-	-	-	1 000 125	0
REFURB SLUDGE DIGESTERS B/SPRUIT WWTW	6 000 000	1 000 000	-	402 623	597 377	402 623	59,73
REFUR OF SEWER SYSTEMS	12 000 000	53 109 086	15 849 912	-	66 188 519	(13 079 433)	124,62
MECHANICAL AND ELECTRICAL WORKS FOR NORT	2 000 000	1 000	-	-	-	1 000	0
REFURBISHMENT OF WWTW'S	8 000 000	13 808 000	5 441 710	1 000 196	12 807 804	1 000 196	92,75
EXTENSION BOTSHABELO WWTW	2 000 000	1 000	-	-	-	1 000	0
EXTE THABA NCHU WWTW (SELOSESHA)	2 000 000	1 000	-	-	-	1 000	0
STERKWATER WWTW PHASE 3 CIVIL	5 878 274	878 274	-	-	-	878 274	0
GIS SYSTEM INFORMATION UPDATE	507 117	415 900	415 800	-	415 800	100	99,97

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
MIPOORT WTW UPGRADING (MIPOORT FILTERS)	47 791 270	36 117 226	3 922 954	17 419 822	18 697 404	17 419 822	51,76
N/HILL NEW B DISTR PIPE & ASSO WORKS REZ	554 952	786 502	530 811	293 237	530 811	255 691	67,49
PELLISSIER RESERVOIR	1 526 118	1 383 587	-	330 527	52 960	1 330 627	3,82
W1501: GARIEP WATER AUGMENTATION PROJECT	774 761	-	-	-	-	-	0
DEWETSDORP - BOREHOLE REFURBISHMENT	-	-	-	-	(0)	0	0
BLOEM NORTHERN BULK DISTRIBUTIO PIPELINE	496 845	476 774	-	1	476 673	101	99,97
NEW 45 ML LONGRIDGE RESERVOIR	485 583	276 513	-	1	276 413	101	99,96
NEW GROENVLEI 20ML RESER& BULK SUPP LINE	693 690	1 502 840	802 736	23 147	1 479 593	23 247	98,45
REFUR& UPGR SLUICE GATE SYSTEM AT MASELS	520 180	-	-	-	-	-	0
BULK CHECK METERS: INSTALL & REFUR	1 015 840	2 632 507	1 578 358	1	2 606 127	26 380	98,99
VANSTADENS RUS-DAM ABSTRACT B/HOLE REFUR	500 476	800 100	-	-	-	800 100	0
NEW GRASLAND RESERVOIR FEASIBILITY STUDY	499 369	3 372 619	239 248	-	3 341 969	30 650	99,09
REFUR OF WATER SUPPLY SYSTEMS	12 936 902	28 487 831	3 175 077	4 107 472	24 380 159	4 107 672	85,58
MASELSP WATER RE-USE GRAY LINE MOCKESDAM	599 206	-	-	-	-	-	0
MASELSP WATER RE-USE (GRAVITY TO NEWWTW)	2 218 005	1 149 640	249 640	-	249 640	900 000	21,71
PROVISION OF BULK WATER SUPPLY	7 000 000	5 084 053	155 577	549 033	4 535 020	549 033	89,2
NEW RESERVOIR IN THABA NCHU (20ML)	2 774 761	-	-	-	-	-	0
DEWETSDORP - BOREHOLE REFURBISHMENT	416 214	-	-	-	-	-	0
DEWETSDORP - STEEL TANK PUMPSTATION REFUR	138 738	-	-	-	-	-	0
INTERIM WATER INFORMAL SETTLE	5 000 000	4 145 660	299 579	2 900 829	1 244 831	2 900 829	30,02
MAKURUNG INTERNAL WATER RETICULATION	2 774 761	574 761	-	574 761	-	574 761	0
WEPENER - BOREHOLE REFURBISHMENT	554 952	554 952	-	554 952	-	554 952	0
M/P WATER RE-USE (PUMP STAT)	820 219	815 956	-	0	315 856	500 100	38,7
HAMILTON PARK PUMP ST@ION REFURBISHMENT	853 690	356 512	-	-	356 412	100	99,97
MASELSPOORT WTW UPGRADE	2 522 884	2 213 328	-	93 348	119 880	2 093 448	5,41
DAM SAFE RES(MOCKES S/SRUS MPOORT DAM	511 801	311 723	65 236	75 021	236 602	75 121	75,9
REFUR/REPL VALVES AUDIT ASSOC PERT WORK	5 230 000	6 454 510	-	0	6 454 510	0	99,99
CONSTRUCTION OF A NEW STORE ROOM	2 092 000	191 034	191 034	-	191 034	-	100
METERING OF UNMETERED SITES	9 911 274	12 721 648	3 943 443	-	13 461 273	(739 625)	105,81
PREPAID PROG (AUTOMATED METERS)	7 845 000	17 875 000	1 536 843	776 279	16 415 549	1 459 451	91,83
DEV & IMPLEMENTATION OF SAM MAST MODULE	1 569 000	-	-	-	-	-	0
PRES& N/WORK ZON MAN(AUD VAL)	9 414 000	9 311 546	1 694 946	934 054	8 377 492	934 054	89,96
WAT SYS MAN OPT TELE SCADA	8 165 188	1 762 354	128 708	320 535	1 441 818	320 536	81,81
TOOLS & EQUIPMENT	2 042 000	2 000 000	189 718	-	1 936 157	63 843	96,8

Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc
PARKING METERS	600 435	-	-	-	-	-	0
BLUE LIGHTS & SIRENS	240 174	-	-	-	-	-	0
SPEED LAW ENFORCE CAMERAS- HANDHELD CAM	250 000	-	-	-	-	-	0
SPEED LAW ENFORCEMENT FIXED CAMERAS	600 435	-	-	-	-	-	0
BREATHERLAZERS	249 425	-	-	-	-	-	0
ALARM SYSTEM	900 653	900 653	643 500	-	643 500	257 153	71,44
9MM HANDGUNS	1 070 673	-	-	-	-	-	0
12 GAGE SHOTGUNS	150 109	-	-	-	-	-	0
BULLET PROOF VESTS	600 000	600 000	534 240	-	534 240	65 760	89,04
CCTV	3 000 000	3 780 000	-	-	3 777 163	2 837	99,92
METAL WALKTHROUGH DETECTOR X RAY SCANNER	498 850	498 850	-	-	-	498 850	0
DEV IMPOUNDMENT YARD FOR STRAY ANIMALS	1 000 000	500 000	-	-	-	500 000	0
UPG CONTROL CENTRE (MAINT LEASE TO OWN)	9 000 000	9 381 251	4 598 015	-	5 749 408	3 631 843	61,28
DEVELOPMENT INDOOR SHOOTING RANGE	2 000 000	500 000	-	434 783	-	500 000	0
5 X LEVELA HAZMAT (GAS TIGHT)PROT SUITS	117 085	55 819	-	-	55 819	0	99,99
HYDRAULIC RESCUE SET (JAWS OF LIFE)	420 305	15 350	-	-	-	15 350	0
FIRE FIGHTING SKID UNITS	96 070	96 070	-	-	-	96 070	0
FIREFIGHTING HOSE REPLACEMENT PROGRAMME	93 000	93 000	-	-	-	93 000	0
4 INDUSTRIAL WASHING MACHINES	36 026	36 026	-	32 000	-	36 026	0
PRESSURE AND FLOW METER	54 039	150 039	-	146 955	-	150 039	0
EMERGENCY SEARCH AND RESCUE DRONE	60 044	156 765	142 990	-	142 990	13 775	91,21
20 SELF CONT POS PRES BREATH APPAR SETS	75 054	345 054	-	341 950	-	345 054	0
PROCUREMENT OF 4 FRIDGES	18 013	21 513	-	-	-	21 513	0

APPENDIX N: CAPITAL EXPENDITURE: NEW ASSETS PROGRAMME

Description	Ref	2024	Budget Year 2025				YTD variance	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual		
R thousands	1							
Capital expenditure on new assets by Asset Class/Sub-class								
-								

Description	Ref	Budget Year 2025									
		2024 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast	
Infrastructure		317 912	563 727	932 940	147 473	429 798	932 940	503 142	53,9%	932 940	
Roads Infrastructure		140 101	160 167	511 040	51 069	202 322	511 040	308 718	60,4%	511 040	
Roads		-	3 498	-	-	-	-	-	-	-	
Road Structures		140 101	156 313	511 040	51 069	202 322	511 040	308 718	60,4%	511 040	
Road Furniture		-	356	0	-	-	0	0	100,0%	0	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		98 351	124 071	132 071	11 536	73 809	132 071	58 262	44,1%	132 071	
HV Substations		1 439	6 034	6 034	-	776	6 034	5 259	87,1%	6 034	
MV Networks		11 436	9 231	9 231	9 348	19 395	9 231	(10 163)	-110,1%	9 231	
LV Networks		85 476	108 805	116 805	2 187	53 639	116 805	63 167	54,1%	116 805	
Water Supply Infrastructure		37 397	228 316	183 176	9 826	61 701	183 176	121 476	66,3%	183 176	
Bulk Mains		-	38 130	44 342	2 741	23 618	44 342	20 725	46,7%	44 342	
Distribution		37 397	190 185	138 834	7 085	38 083	138 834	100 751	72,6%	138 834	
Sanitation Infrastructure		34 489	27 401	94 753	72 871	82 735	94 753	12 018	12,7%	94 753	
Reticulation		34 489	27 401	94 753	72 871	82 735	94 753	12 018	12,7%	94 753	
Solid Waste Infrastructure		7 574	23 773	11 900	2 171	9 231	11 900	2 669	22,4%	11 900	
Landfill Sites		7 574	23 028	11 900	2 171	9 231	11 900	2 669	22,4%	11 900	
Waste Transfer Stations		-	744	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
Community Assets		50 442	116 263	70 839	6 830	30 846	70 839	39 993	56,5%	70 839	
Community Facilities		48 375	102 289	61 165	3 471	26 259	61 165	34 905	57,1%	61 165	
Centres		28 657	36 174	31 701	912	8 854	31 701	22 847	72,1%	31 701	
Fire/Ambulance Stations		5 602	11 079	1 012	-	880	1 012	132	13,0%	1 012	
Cemeteries/Crematoria		-	4 093	3 563	1 850	3 068	3 563	495	13,9%	3 563	
Parks		1 510	800	-	-	-	-	-	-	-	
Public Open Space		12 605	44 742	22 689	631	13 379	22 689	9 310	41,0%	22 689	
Nature Reserves		-	3 000	1 000	-	-	1 000	1 000	100,0%	1 000	

Description	Ref	Budget Year 2025							Full Year Forecast	
		2024 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		YTD variance
Public Ablution Facilities		-	2 400	1 200	78	78	1 200	1 122	93,5%	1 200
Sport and Recreation Facilities		2 068	13 974	9 674	3 359	4 586	9 674	5 088	52,6%	9 674
Outdoor Facilities		2 068	13 974	9 674	3 359	4 586	9 674	5 088	52,6%	9 674
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		341	-	-	-	-	-	-	-	-
Licences and Rights		341	-	-	-	-	-	-	-	-
Computer Software and Applications		341	-	-	-	-	-	-	-	-
Computer Equipment		3 315	16 042	10 957	4 588	12 347	10 957	(1 391)	-12,7%	10 957
Computer Equipment		3 315	16 042	10 957	4 588	12 347	10 957	(1 391)	-12,7%	10 957
Furniture and Office Equipment		23	3 635	3 932	62	198	3 932	3 734	95,0%	3 932
Furniture and Office Equipment		23	3 635	3 932	62	198	3 932	3 734	95,0%	3 932
Machinery and Equipment		3 208	12 082	7 411	(37)	1 429	7 411	5 982	80,7%	7 411
Machinery and Equipment		3 208	12 082	7 411	(37)	1 429	7 411	5 982	80,7%	7 411
Transport Assets		285 974	193 505	193 505	12 122	146 081	193 505	47 425	24,5%	193 505
Transport Assets		285 974	193 505	193 505	12 122	146 081	193 505	47 425	24,5%	193 505
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	661 216	905 254	1 219 585	171 038	620 700	1 219 585	598 885	49,1%	1 219 585

APPENDIX O: CAPITAL PROGRAMMES BY WARD

Description	Original	Budget	YTD Movement	Ward
EQUIPMENT DISABLED PERSONS	100 000	-	-	ALL WARDS
TRAINING & DEVELOPMENT	800 000	-	-	ALL WARDS
DIGITAL RADIO SYSTEM	1 100 000	2 100 000	546 125	ALL WARDS
IMPLEM BUSINESS CONT DISASTER RECOV INF	500 000	10 500 000	13 608 865	ALL WARDS
UPGRADE & REFURB COMPUTER NETWORK	4 000 000	4 000 000	3 813 107	ALL WARDS
METER PROJECT	30 000 000	40 000 000	41 325 654	ALL WARDS
VENDING BACK OFFICE	6 000 000	6 000 000	9 825 750	ALL WARDS
ELECTRIFICATION PROJECTS (ISUPG)	24 700 000	37 700 000	37 524 612	ALL WARDS
ELECTRIFICATION (USDG GRANT)	10 360 000	25 360 000	25 032 653	ALL WARDS
UPGRADE 132/11KV 20MVA DC SHANNON B	8 000 000	8 000 000	-	ALL WARDS
SECURITY EQUIPMENT (CCTV)	12 300 000	12 300 000	12 086 188	ALL WARDS
ELECTRIFICATION INTERNAL PROJECTS	6 000 000	6 000 000	5 959 352	ALL WARDS
EXTENSION AND UPGRADING OF THE 11KV NETW	4 000 000	4 000 000	3 168 150	ALL WARDS
BOTSH: UPG SUB W/ (C/WORK BW 2ND TRA S/D	15 000 000	15 000 000	-	ALL WARDS
BLOEM: CY-EST 33/11KV 20MVA FIRM SUPDC	21 000 000	21 000 000	9 600 247	ALL WARDS
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	5 000 000	5 000 000	5 880 359	ALL WARDS
PUBLIC ELECTRICITY CONNECTIONS	14 000 000	14 000 000	8 617 742	ALL WARDS
PUBLIC ELECTRICITY CONNECTIONS	-	-	369	ALL WARDS
UPGRADING AND EXTENSION OF LV NETWORK	3 000 000	3 000 000	2 987 841	ALL WARDS
SERVITUDES LAND (INCL INVEST REMUNE REG	700 000	700 000	73 224	ALL WARDS
INSTALLATION OF PUBLIC LIGHTING	6 000 000	6 000 000	5 855 198	ALL WARDS
INSTALL PREPAID METERS	500 000	500 000	443 519	ALL WARDS
ESTABLISHMENT OF NEW 30MWP SOLAR FARM	5 000 000	5 000 000	-	ALL WARDS
REPLACE DECRYPT CABLES MV-HV	7 000 000	7 000 000	6 940 698	ALL WARDS
REMEDIAL WORK 132KV SOUTHERN LINES	10 000 000	10 000 000	4 602 256	ALL WARDS
SHIFTING OF CONNECTION AND REPLACEMENT S	2 005 275	2 005 275	484 559	ALL WARDS
REFURBISHMENT OF HIGH MAST LIGHTS	5 029 525	5 029 525	5 709 129	ALL WARDS
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	700 000	3 200 000	2 402 426	ALL WARDS
REP BRITTLE OVERHEAD CONNECTIONS	850 000	850 000	850 203	ALL WARDS
REPLACE DECRYPT CABLES MV-HV	5 000 000	5 000 000	692 665	ALL WARDS

Description	Original	Budget	YTD Movement	Ward
S/LIGHTS REPLACE POLE TRNS POLES SECTION	3 000 000	6 000 000	9 082 395	ALL WARDS
PROTECTION TEST UNIT	2 000 000	2 000 000	-	ALL WARDS
REPLACEMENT OF 110V BATTERIES	1 500 000	1 500 000	-	ALL WARDS
REPLACEMENT OF 11KV SWITCHGEARS	2 000 000	4 000 000	840 452	ALL WARDS
REPLACEMENT OF 32V BATTERIES	1 500 000	1 500 000	-	ALL WARDS
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 000 000	2 200 000	430 114	ALL WARDS
TRANSFORMER REPLACE & OTHER RELATED EQUI	11 500 000	14 500 000	9 526 915	ALL WARDS
INSTALLATION OF HIGH VOLTAGE TEST EQUIPM	2 500 000	4 500 000	2 633 745	ALL WARDS
REPLACEMENT OF OIL PLANT	1 000 000	1 000 000	459 115	ALL WARDS
REPAIR MMM DIST DIST CENTRE	2 500 000	2 500 000	1 299 375	ALL WARDS
REPAIR VISTA DIST DIST CENTRE	26 000 000	26 000 000	16 306 622	ALL WARDS
VEHICLES	7 000 000	5 000 000	-	ALL WARDS
INTER COMPANY - INTEGRATED NAT. ELEC (M	2 000 000	3 500 000	305 812	ALL WARDS
FURNITURE AND OFFICE EQUIPMENT	1 700 000	2 200 000	2 068 579	ALL WARDS
VAN STADENSURUS - NEW MULTIPURPOSE CENTRE	5 000 000	8 000 000	8 442 475	ALL WARDS
PUBLIC CONNECTIONS	-	-	23 623	ALL WARDS
METER PROJECTS	-	-	203 305	ALL WARDS
PROCURE CAMERAS & EQUIPMENT	-	200 000	16 964	ALL WARDS
MEDICAL EQUIPMENT	500 000	400 000	327 539	ALL WARDS
CLEANING EQUIPMENT	652 700	752 700	664 596	ALL WARDS
ST&BY GENERATORS MUNICIPAL BUILDING	2 000 000	-	-	ALL WARDS
INSTALL SOLAR PANEL (PV)- MUN BUILDINGS	2 000 000	4 000 000	-	ALL WARDS
ACCES CON EQUIP B/FISCHER & 6 OTH BUILD	1 000 000	480 000	-	ALL WARDS
FURNITURE	1 500 000	1 960 000	784 252	ALL WARDS
REFURB OF REFRIGE FRESH PRODUCE MARKET	2 000 000	2 000 000	-	ALL WARDS
FENCING HIST BUILD B/FISPRECINCT	1 000 000	1 000 000	342 507	ALL WARDS
REFURB GABRIEL DIC BUILD & PRES: MET POL	3 000 000	3 000 000	-	ALL WARDS
REFURB OF HVAC SYSTEM: BRAM FISHER	2 000 000	2 000 000	-	ALL WARDS
HEAVY DUTY STAPLER	300 000	320 000	-	ALL WARDS
ICT SECURITY	1 082 103	1 082 103	-	ALL WARDS
DATA PROJECTORS	600 435	35	-	ALL WARDS
DATA CENTRE INFRASTRUCTURE	12 000 000	-	-	ALL WARDS
DESKTOPS AND LAPTOPS	6 000 000	8 856 900	3 473 009	ALL WARDS

Description	Original	Budget	YTD Movement	Ward
ICT NETWORK EQUIPMENT	2 446 165	189 665	149 798	ALL WARDS
REHAB OF NORTHERN LANDFILL SITES	38 560 064	7 260 064	4 302 499	ALL WARDS
DEVELOPMENT OF NEW LANDFILL SITE	4 792 287	-	-	ALL WARDS
UPGRADE AND REFURB BOTSH LANDFILL SITES	500 000	900 000	160 284	ALL WARDS
UPGRADE REFURB SOUTHERN LANDFILL SITES	1 000 000	1 650 000	150 659	ALL WARDS
NEW FENCE AT SOUTHERN LANDFILL SITE	3 000 000	9 000 000	4 386 972	ALL WARDS
REFUSE BINS FOR CBD'S IN METRO	820 000	820 000	710 950	ALL WARDS
PURCHASE OF ANIMALS	-	1 400 000	-	ALL WARDS
DEVELOPMENT OF NALISVIEW CEMETERY	9 000 000	9 000 000	694 702	ALL WARDS
REPLACEMENT FENCE - SOUTH PARK CEMETERY	7 500 000	7 500 000	7 291 664	ALL WARDS
FENCING OF GRAVEYARD MEMORIUM	-	2 322 664	-	ALL WARDS
GARDE DEV- BRAM FISC BUILD /HALL GAB DIC	500 000	677 034	677 015	ALL WARDS
CITY ENT BEAUTIFICATION - NEL MANDELA DR	-	1 687 650	144 540	ALL WARDS
CITY ENT BEAUTIFICATION - RAY MHLABA RD	1 500 000	1 500 000	-	ALL WARDS
CITY ENT BEAUTIFICATION - MASELSP DR	1 800 000	-	-	ALL WARDS
DEVELOPMENT OPEN SPACE	1 500 000	-	-	ALL WARDS
RECREATION OF PARKS - VISTA PARK	-	1 380 861	955 203	ALL WARDS
REGIONAL PARK DEVELOPMENT - BATHO	1 500 000	-	-	ALL WARDS
UPGRADING THE PARK NEXT THE BOTS MALL	-	2 066 806	676 690	ALL WARDS
INDUSTRY TRANSFORMATION (TAXI ADVISORY)	-	1 000 000	-	ALL WARDS
INTERIM-BUS DEPOT-	-	7 900 000	-	ALL WARDS
NON-MOTORISED TRANSP (SIDEWALKS CYCLEW	-	5 000 000	-	ALL WARDS
IPTN PHASE 2 - TRUNK ROUTE	31 959 742	-	-	ALL WARDS
IPTN BUS DEPOT - BUILDING WORKS	42 600 000	-	-	ALL WARDS
OPEN BUS STATIONS (BUS STOP SHELTER)	25 700 000	960 000	-	ALL WARDS
INDUSTRY TRANSFORMATION	72 500 000	2 400 000	1 800 000	ALL WARDS
IPTN BUS FLEET	26 400 000	50 000 000	-	ALL WARDS
PRELIM + DETAILED INFRASTR DESIGN	3 000 000	11 100 000	7 029 861	ALL WARDS
MOBILE SHELIVING STATION	700 000	-	-	ALL WARDS
STORAGE SYSTEM BUILDING PLANS BRAM FISC	1 200 000	1 900 000	1 797 305	ALL WARDS
LAND SURVEYING FARM KLIPFONTEIN	1 115 000	915 000	-	ALL WARDS
FORMALISATION OF INFILL PLANNING	5 000 000	2 054 144	1 286 235	ALL WARDS
LAND SURVEYING BOTSHABELO K	735 000	1 545 356	1 467 468	ALL WARDS

Description	Original	Budget	YTD Movement	Ward
TOWNSHIP ESTABLISH PORT 3 SELOSESHA 900	2 533 333	3 213 333	3 210 000	ALL WARDS
SURVEYING MOROJANENG	2 000 000	-	-	ALL WARDS
TOWNSHIP ESTAB REMAINDER FARM BOTSH 826	2 400 000	2 405 500	2 405 410	ALL WARDS
TOWNSHIP ESTABLISHMENT MOROJANENG	1 000 000	650 000	620 449	ALL WARDS
TOWNSHIP ESTABLISHMENT FARM X2727	300 000	1 470 000	1 246 330	ALL WARDS
LAND SURVEYING FARM X2727	2 170 000	-	-	ALL WARDS
TOWNSHIP ESTABLISHMENT FARM KLIPFONTEIN	-	1 237 436	902 024	ALL WARDS
LAND SURVEYING FARM GRASSLAND	300 000	-	-	ALL WARDS
T/SHIP EST GRASSLAND	150 000	-	-	ALL WARDS
LAND SURVE REMAINDER FARM VEEKRAAL 605	1 600 000	-	-	ALL WARDS
T/SHIP ESTABL REMAIN FARM VEEKRAAL 605	800 000	-	-	ALL WARDS
FIRE STATION BOTSHABELO	20 000 000	26 300 000	25 665 256	ALL WARDS
CONSTRUCTION OF A NEW COMMUNITY CENTRE I	15 000 000	14 765 927	12 654 977	ALL WARDS
KLEIN MAGASA HERITAGE PRECINCT REHABILIT	2 000 000	-	-	ALL WARDS
NAVAL HILL ENTRANCE GATE DESIGN UPGRADE	1 500 000	-	-	ALL WARDS
FENCING OF FARMS AND COMMONAGES	1 950 000	1 950 000	219 439	ALL WARDS
GROUNDWATER AUGMENT(BOREHOLE WINDMILLS)	1 750 000	1 750 000	-	ALL WARDS
HAWKING STALLS BOTSHABELO-L	1 000 000	2 500 000	2 166 784	ALL WARDS
MARKET TOWING TROLLEYS	1 000 000	750 000	-	ALL WARDS
L/PARK (100)INST WATER INT SEWER RET	8 000 000	2 050 000	1 212 564	ALL WARDS
VISTA-PARK 2 -INSTALL CIVIL & ELEC INFRA	-	-	(1 245 022)	ALL WARDS
MATLHAR W&S _INSTAL W & S (3108 U)	1 000 000	550 000	-	ALL WARDS
SEROALO EXT 26 - INSTALLATION OF W & S (1	8 842 597	138 097	72 957	ALL WARDS
KLIPFONTEIN WATER CONNECTIONS	500 000	-	-	ALL WARDS
SONDERWAT PH 2 80/INST WATER INT SEW RET	5 089 120	717 966	(842 034)	ALL WARDS
MKHONTO ERF 32109 - INS RETIC (111 U)	14 609 289	3 904 229	1 019 258	ALL WARDS
FLEURDAL INFILL - SERVICES (21 U)	-	-	(171 599)	ALL WARDS
SOUTPAN (IKGOMOTSENG) WATER SEWER CONST	11 953 583	14 003 583	8 601 487	ALL WARDS
THABANCHU EXT.27 RATAU WAT SEWER CONST	22 219 080	6 389 020	319 080	ALL WARDS
RATAU HLAM WAT & SEW-ALT SYSTEM (114 U)	5 640 000	-	-	ALL WARDS
ALT SEWER SOLUTIONS INMAL SETTLEMENTS	5 000 000	-	-	ALL WARDS
SECTION T INSTAL SEWER	4 000 000	1 200 000	1 022 294	ALL WARDS
SECTION C WATER & SEWER	3 000 000	-	-	ALL WARDS

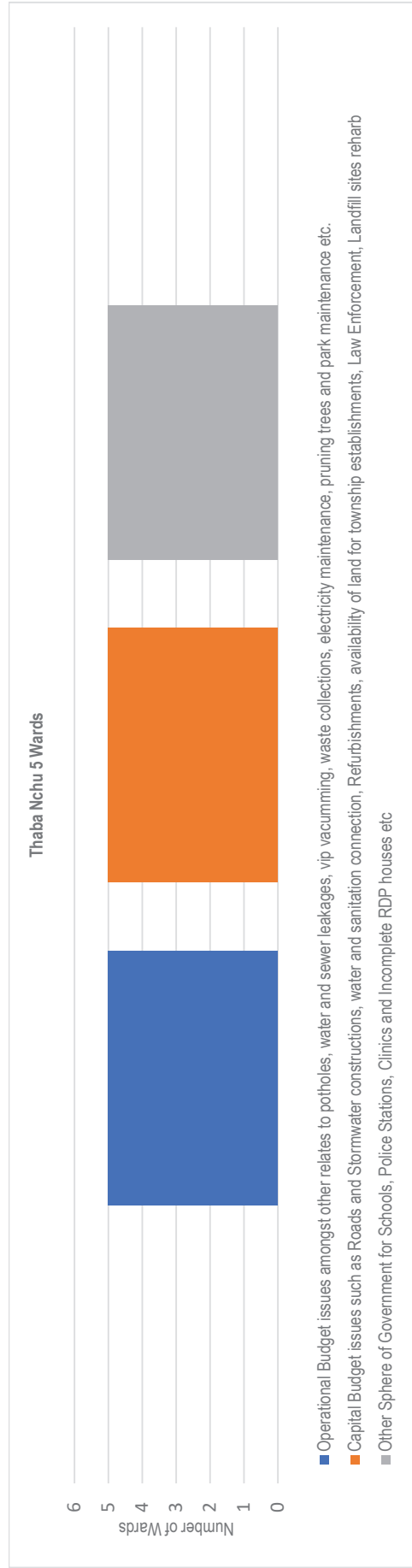
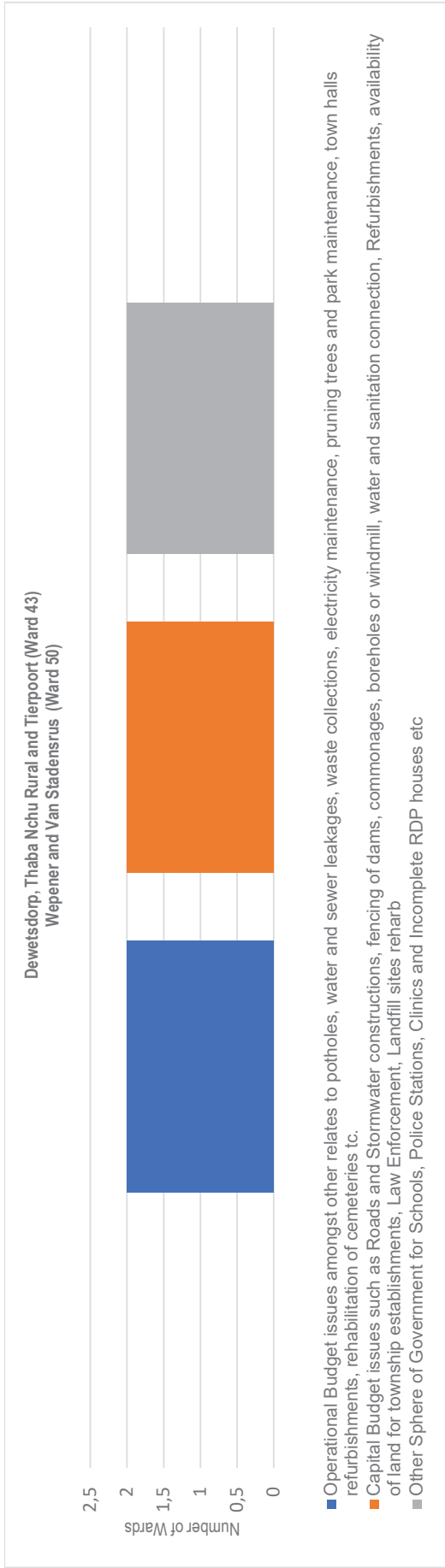
Description	Original	Budget	YTD Movement	Ward
SECTION N INSTAL WATER & SEWER	3 000 000	2 795 709	1 560 877	ALL WARDS
TURFLAAGTE ZCC	6 704 608	-	-	ALL WARDS
SOUTPAN WATER AND SANITATION CONSTRU	400 000	400 000	-	ALL WARDS
VISTA PARK 2	15 000 000	-	-	ALL WARDS
VISTA PARK 3	35 000 000	17 998 000	-	ALL WARDS
PURCHASE OF LAND	-	25 800 000	-	ALL WARDS
BLOEMSIDE 9/10-INSTA W&S RETIC 200 UNITS	1 000 000	-	-	ALL WARDS
BLOEMSIDE 7 - INST W & S RETIC500 UNITS	20 000 000	1 047 678	-	ALL WARDS
SOUTPAN - INSTALL RETIC (22 U)	-	-	(0)	ALL WARDS
SOUTPAN - INSTALL RETIC (22 U)	-	-	(29 000)	ALL WARDS
BLOEMSIDE 4510 - INSTAL WATER & SANIT	11 399 083	3 843 683	355 749	ALL WARDS
BLOEMSIDE 4510 - ROADS & STORWATER	6 000 000	-	-	ALL WARDS
TAMBO SQUARE - INSTAL WATER AND SEWER	7 200 000	37 500	-	ALL WARDS
ACQUIS LAND INFORMAL SETTLEME RELOCATE	9 000 000	17 043 502	-	ALL WARDS
BOTSHB SEC R - INSTALL WATER (1000 U)	21 500 000	6 139 169	815 294	ALL WARDS
DEWETSDORP EXT 7 WATER & SEWER CONSTRUCT	4 000 000	3 037 245	1 932 143	ALL WARDS
BOTSHB SEC D - INSTALL SEWER RETIC(100U)	1 000 000	-	-	ALL WARDS
BOTSHB SEC M - INSTALL SEWER RETIC(100U)	1 000 000	1 500 000	-	ALL WARDS
FREEDOM SQUARE & MARIKANA WATER & SEWER	300 000	18 999 500	3 533 076	ALL WARDS
DEWETSDORP WATER AND SEWER	18 456 955	19 324 330	13 586 654	ALL WARDS
BOTS SEC H1708 & G1011-INSTAL WATER & SEW	12 764 280	7 613 780	380 658	ALL WARDS
BOTS SECTION E1905 - INSTALL WATER & SEW	3 387 825	1 699 325	-	ALL WARDS
REFURBISHMENT MANAGEMENT SYSTEM: R & S	1 864 490	4 000 000	4 000 000	ALL WARDS
SECTION R ACCESS ROAD & BRIDGE	9 000 000	9 603 841	1 381 671	ALL WARDS
GRASSL& PH 4 - ROADS & S/WATER	8 000 000	6 775 666	1 946 526	ALL WARDS
BOTS WEST - INSTAL MAIN ROADS/ S/WATER	9 000 000	13 268 386	9 925 838	ALL WARDS
PROVISION OF ROADS AND STORMWATER	5 000 000	1 932 000	1 871 768	ALL WARDS
REHABILITATION OF ROADS	5 000 000	1 549 725	480 098	ALL WARDS
T1428A MAN RD 198 199&200 BOCH	5 000 000	1 200 000	-	ALL WARDS
T1430C 7TH STR BOTSHB SECTION H	-	-	(0)	ALL WARDS
T1432 MAN 10786 BERGMAN SQUARE	4 872 011	309 000	282 307	ALL WARDS
T1522 THA RD 2029 2044 & 2031 UPG	6 824 285	4 103 000	1 556 173	ALL WARDS
T1523 BOT RD 304 305 308 SECTION G UPG	2 944 553	377 000	-	ALL WARDS

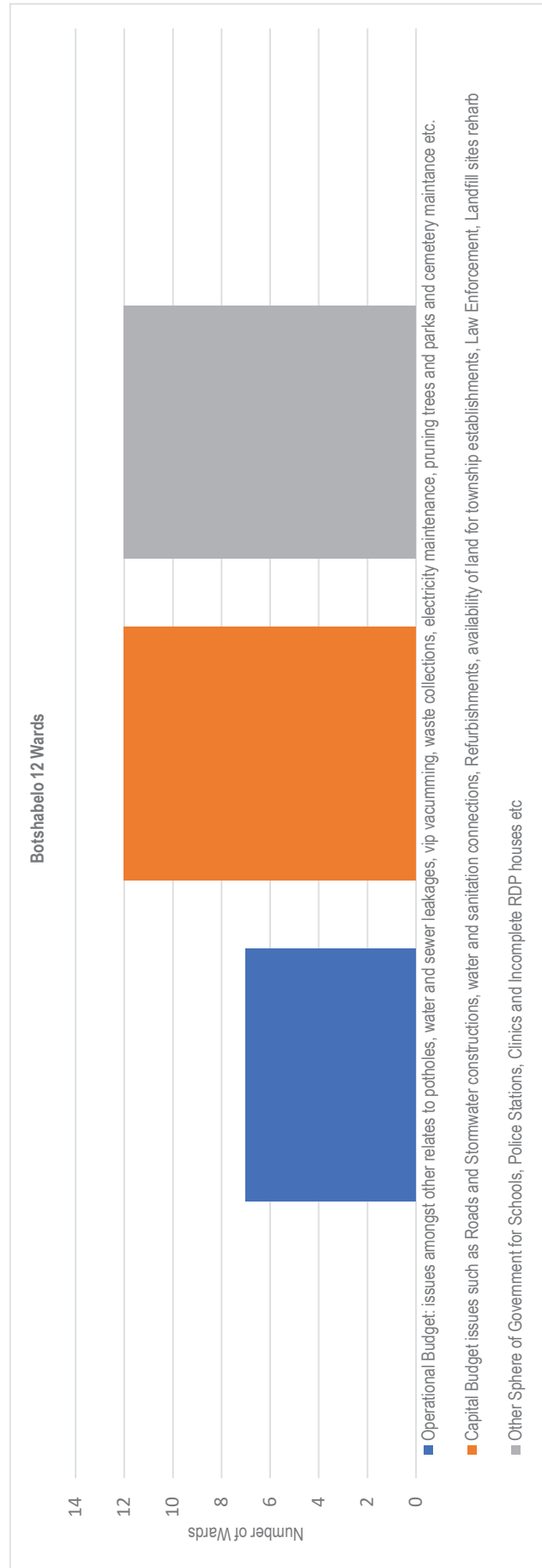
Description	Original	Budget	YTD Movement	Ward
T1524 BOT RD 437 SECTION A UPG	7 518 256	-	-	ALL WARDS
T1527B BOCHABELA STS UPG	5 000 000	8 854 085	5 905 139	ALL WARDS
T1527C BOCHABELA STS UPG	3 500 000	5 318 445	3 024 336	ALL WARDS
T1528 MAN RD 11388 & 11297 JB MAFORA UPG	3 490 787	1 500 000	911 424	ALL WARDS
UPG STORMWATER SYSTEMS MMM	-	-	(755 831)	ALL WARDS
T1534 VERENIGING AV EXT BRIDGE OVER RAIL	-	-	(0)	ALL WARDS
T1534B VERENIGING AVENUE EXT ROADS	1 000 000	-	(0)	ALL WARDS
T1536 HEAVY REHAB ZASTRON ST	5 000 000	4 799 115	2 929 584	ALL WARDS
T1537 HEAVY REHAB NELSON M&ELA ST	10 000 000	-	-	ALL WARDS
T1539 UPGRADE TRAFFIC INTERSECTIONS	6 809 983	6 594 159	2 425 695	ALL WARDS
SAND DU PLESSIS RD: ESTOIRE	1 604 833	-	-	ALL WARDS
VISTA PARK: BULK ROADS STORMWAT: UPGRADE	16 092 129	-	-	ALL WARDS
STORMWATER REFURBISHMENT	6 353 483	12 099 601	5 734 750	ALL WARDS
BATHO UPGRADE OF ROADS AND STORMWATER	5 509 213	717 213	-	ALL WARDS
GABIONS REPLACE DAMAGED CULVERTS ROADS	-	2 694 305	1 823 587	ALL WARDS
REGRAV ROAD & REPAIRING SW CANAL	-	2 290 000	1 250 658	ALL WARDS
CULVERTS ON THE S/W CANAL FOR ACCESS A	-	1 492 269	1 492 268	ALL WARDS
CULVERTS ON THE S/W CANAL FOR ACCESS B	-	1 043 986	1 015 286	ALL WARDS
REINSTALL 450MM DIAMETER CULVERTS	-	4 343 745	4 254 477	ALL WARDS
REFUR DAMAGED STONE PICTING INST GABIONS	-	280 000	279 976	ALL WARDS
T1433 BAINSVLEI MWATER BULK SWATER UPG	2 196 312	-	-	ALL WARDS
VEHICLES	20 000 000	30 228 726	27 315 492	ALL WARDS
REFURBISHMENT ALL FUEL DEPOTS	4 200 000	4 200 000	-	ALL WARDS
GIS SYSTEM INFORMATION UPDATE	194 233	194 233	178 200	ALL WARDS
BLOEMSPRUIT URGENT REFURBISHMENT	5 000 000	8 000 000	7 996 023	ALL WARDS
BOTS SEC K PUMPSTATION & RISING MAIN	7 903 936	936	-	ALL WARDS
UPG BULK SEW LINE SONDERWAT & CHRIS HANI	1 000 000	2 395 000	-	ALL WARDS
BOTSHABELO MAIN OUTFALL SEWER	30 000 000	30 000 000	23 234 086	ALL WARDS
REFURBISHMENT OF SEWER SYSTEMS SOUTPAN	500 000	500 000	-	ALL WARDS
SOUTPAN BULK OUTFALL SEWER	416 214	416 214	-	ALL WARDS
MMM WWTW REFURBISHMENT	10 000 000	25 049 000	24 425 681	ALL WARDS
WATER BORNE SANITATION MANGAUNG WARD 8	2 546 125	946 125	564 180	ALL WARDS
WATER BORNE SANITATION MANGAUNG WARD 17	2 546 125	1 000 125	-	ALL WARDS

Description	Original	Budget	YTD Movement	Ward
REFURB SLUDGE DIGESTERS B/SPRUIT WWTW	6 000 000	1 000 000	597 377	ALL WARDS
REFUR OF SEWER SYSTEMS	12 000 000	53 109 086	66 188 519	ALL WARDS
MECHANICAL AND ELECTRICAL WORKS FOR NORT	2 000 000	1 000	-	ALL WARDS
REFURBISHMENT OF WWTW'S	8 000 000	13 808 000	12 807 804	ALL WARDS
EXTENSION BOTSHABELO WWTW	2 000 000	1 000	-	ALL WARDS
EXTE THABA NCHU WWTW (SELOSESHA)	2 000 000	1 000	-	ALL WARDS
STERKWATER WWTW PHASE 3 CIVIL	5 878 274	878 274	-	ALL WARDS
GIS SYSTEM INFORMATION UPDATE	507 117	415 900	415 800	ALL WARDS
M/POORT WTW UPGRADING (M/POORT FILTERS)	47 791 270	36 117 226	18 697 404	ALL WARDS
N/HILL NEW B DISTR PIPE & ASSO WORKS REZ	554 952	786 502	530 811	ALL WARDS
PELLISSIER RESERVOIR	1 526 118	1 383 587	52 960	ALL WARDS
W1501: GARIEP WATER AUGMENTATION PROJECT	774 761	-	-	ALL WARDS
DEWETSDORP - BOREHOLE REFURBISHMENT	-	-	(0)	ALL WARDS
BLOEM NORTHERN BULK DISTRIBUTIO PIPELINE	496 845	476 774	476 673	ALL WARDS
NEW 45 ML LONGRIDGE RESERVOIR	485 583	276 513	276 413	ALL WARDS
NEW GROENVLEI 20ML RESER& BULK SUPP LINE	693 690	1 502 840	1 479 593	ALL WARDS
REFUR& UPGR SLUICE GATE SYSTEM AT MASELS	520 180	-	-	ALL WARDS
BULK CHECK METERS: INSTALL & REFUR	1 015 840	2 632 507	2 606 127	ALL WARDS
VANSTADENSRUS-DAM ABSTRACT B/HOLE REFUR	500 476	800 100	-	ALL WARDS
NEW GRASLAND RESERVOIR FEASIBILITY STUDY	499 369	3 372 619	3 341 969	ALL WARDS
REFUR OF WATER SUPPLY SYSTEMS	12 936 902	28 487 831	24 380 159	ALL WARDS
MASELSP WATER RE-USE GRAV LINE MOCKESDAM	599 206	-	-	ALL WARDS
MASELSP WATER RE-USE (GRAVITY TO NEWWWTW)	2 218 005	1 149 640	249 640	ALL WARDS
PROVISION OF BULK WATER SUPPLY	7 000 000	5 084 053	4 535 020	ALL WARDS
NEW RESERVOIR IN THABA NCHU (20ML)	2 774 761	-	-	ALL WARDS
DEWETSDORP - BOREHOLE REFURBISHMENT	416 214	-	-	ALL WARDS
DEWETSDORP -STEEL TANK PUMPSTATION REFUR	138 738	-	-	ALL WARDS
INTERIM WATER INFORMAL SETTLE	5 000 000	4 145 660	1 244 831	ALL WARDS
MAKURUNG INTERNAL WATER RETICULATION	2 774 761	574 761	-	ALL WARDS
WEPENER - BOREHOLE REFURBISHMENT	554 952	554 952	-	ALL WARDS
M/P WATER RE-USE (PUMP STAT)	820 219	815 956	315 856	ALL WARDS
HAMILTON PARK PUMP ST@ION REFURBISHMENT	853 690	356 512	356 412	ALL WARDS
MASELSPOORT WTW UPGRADE	2 522 884	2 213 328	119 880	ALL WARDS

Description	Original	Budget	YTD Movement	Ward
DAM SAFE RES(MOCKES S/SRUS MIPOORT DAM	511 801	311 723	236 602	ALL WARDS
REFURB/REPL VALVES AUDIT ASSOC PERT WORK	5 230 000	6 454 510	6 454 510	ALL WARDS
CONSTRUCTION OF A NEW STORE ROOM	2 092 000	191 034	191 034	ALL WARDS
METERING OF UNMETERED SITES	9 911 274	12 721 648	13 461 273	ALL WARDS
PREPAID PROG (AUTOMATED METERS)	7 845 000	17 875 000	16 415 549	ALL WARDS
DEV & IMPLEMENTATION OF SAM MAST MODULE	1 569 000	-	-	ALL WARDS
PRES& N/WORK ZON MAN(AUD VAL)	9 414 000	9 311 546	8 377 492	ALL WARDS
WAT SYS MAN OPT TELE SCADA	8 165 188	1 762 354	1 441 818	ALL WARDS
TOOLS & EQUIPMENT	2 042 000	2 000 000	1 936 157	ALL WARDS
PARKING METERS	600 435	-	-	ALL WARDS
BLUE LIGHTS & SIRENS	240 174	-	-	ALL WARDS
SPEED LAW ENFORCE CAMERAS- HANDHELD CAM	250 000	-	-	ALL WARDS
SPEED LAW ENFORCEMENT FIXED CAMERAS	600 435	-	-	ALL WARDS
BREATHERLAZERS	249 425	-	-	ALL WARDS
ALARM SYSTEM	900 653	900 653	643 500	ALL WARDS
9MM HANDGUNS	1 070 673	-	-	ALL WARDS
12 GAGE SHOTGUNS	150 109	-	-	ALL WARDS
BULLET PROOF VESTS	600 000	600 000	534 240	ALL WARDS
CCTV	3 000 000	3 780 000	3 777 163	ALL WARDS
METAL WALKTHROUGH DETECTOR X RAY SCANNER	498 850	498 850	-	ALL WARDS
DEV IMPOUNDMENT YARD FOR STRAY ANIMALS	1 000 000	500 000	-	ALL WARDS
UPG CONTROL CENTRE (MAINT LEASE TO OWN)	9 000 000	9 381 251	5 749 408	ALL WARDS
DEVELOPMENT INDOOR SHOOTING RANGE	2 000 000	500 000	-	ALL WARDS
5 X LEVEL A HAZMAT (GAS TIGHT)PROT SUITS	117 085	55 819	55 819	ALL WARDS
HYDRAULIC RESCUE SET (JAWS OF LIFE)	420 305	15 350	-	ALL WARDS
FIRE FIGHTING SKID UNITS	96 070	96 070	-	ALL WARDS
FIRE FIGHTING HOSE REPLACEMENT PROGRAMME	93 000	93 000	-	ALL WARDS
4 INDUSTRIAL WASHING MACHINES	36 026	36 026	-	ALL WARDS
PRESSURE AND FLOW METER	54 039	150 039	-	ALL WARDS
EMERGENCY SEARCH AND RESCUE DRONE	60 044	156 765	142 990	ALL WARDS
20 SELF CONT POS PRES BREATH APPAR SETS	75 054	345 054	-	ALL WARDS
PROCUREMENT OF 4 FRIDGES	18 013	21 513	-	ALL WARDS

APPENDIX P: SERVICE BACKLOGS OF COMMUNITIES WHERE OTHER SPHERE OF GOVERNMENT IS RESPONSIBLE







Mangaung Metropolitan Municipality Group
Consolidated Annual Financial Statements
for the year ended 30 June 2025

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

General Information

Nature of business and principal activities	Providing municipal services and maintaining the best interest of the local community, mainly in the Mangaung area.
Mayoral committee	
Executive Mayor	Nthatsi GMS
Mayoral Committee Members	Jonas-Malephane VE Kruger CL Letawana MM Mosala MT Nhlapo NA Qai A Soqaga VS Titi-Odili VE Tsoleli SP Twala PS
Deputy Executive Mayor	Titi-Odili LM
Speaker	Mathae BL
Accounting Officer	More S
Chief Financial Officer	Thekisho Z
Registered office	Bram Fischer Building Cnr Nelson Mandela Drive and Markgraaff Street Bloemfontein 9301
Postal address	PO Box 3704 Bloemfontein 9301
Controlling entity	Mangaung Metropolitan Municipality
Economic entity	Mangaung Metropolitan Municipality Group (Municipal entity Centlec included)
Municipal entity	Centlec SOC Ltd
Bankers	ABSA Development Bank of South Africa Nedbank Standard Bank
Auditors	Auditor General of South Africa
Enabling legislation	Division of Revenue Act, (Act 16 of 2019) Municipal Demarcation Act, (Act 27 of 1998) Municipal Finance Management Act, (Act 56 of 2003) Municipal Property Rates Act, (Act 3 of 2017) Municipal Structures Act, (Act 117 of 1998) Municipal Systems Act, (Act 32 of 2000)

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

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The reports and statements set out below comprise the consolidated annual financial statements presented to the council:

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Mangaung Metropolitan Municipality Group

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Abbreviations used within the financial statements:

ACT	Actual
BAL	Balance
CAPEX	Capital expenditure
CFO	Chief Financial Officer
CoGTA	Department of Cooperative Governance and Traditional Affairs
COID	Compensation for Occupational Injuries and Diseases
CPI	Consumer Price Index
DBSA	Development Bank of South Africa
FRESHCO	Free State Social Housing Company
GRAP	Generally Recognised Accounting Practice
HOD	Head of Directorate
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IPTN	Integrated Public Transport Network
ISUPG	Informal Settlements Upgrading Partnership Grant
LGSETA	Local Government Sector Education & Training Authority
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act, (Act 56 of 2003)
MMM	Mangaung Metro Municipality
OPEX	Operational expenditure
PAYE	Pay As You Earn
PFMA	Public Finance Management Act
PPE	Property, Plant and Equipment
SALGA	South African Local Government Association
SARS	South African Revenue Service
SCM	Supply Chain Management
SOC	State Owned Company
UIF	Unemployment Insurance Fund
USDG	Urban Settlements Development Grant
VAT	Value Added Tax
WIP	Work-in-Progress

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Responsibilities and Approval

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

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the economic entity and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the economic entity and all employees are required to maintain the highest ethical standards in ensuring the economic entity's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the economic entity is on identifying, assessing, managing and monitoring all known forms of risk across the economic entity. While operating risk cannot be fully eliminated, the economic entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is responsible for the preparation of these consolidated annual financial statements in terms of Section 126(1) of the Municipal Finance Management Act, (Act 56 of 2003), and has signed on behalf of the economic entity.

The accounting officer certifies that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 49 of these consolidated annual financial statements are not within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act, (Act 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.

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

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

Although the accounting officer is primarily responsible for the financial affairs of the economic entity, he is supported by the economic entity's external auditors to express an independent opinion on the fair presentation of the annual financial statements.

The external auditors are responsible for independently auditing and reporting on the economic entity's consolidated annual financial statements.

The consolidated annual financial statements set out on pages 195 to 358, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2025 and were signed by:

More S
City Manager

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Officer's Report

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

1. Review of activities

Main business and operations

Net surplus of the economic entity was R 262 385 866 (2024: surplus R 85 131 842).

2. Going concern

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

The economic entity still has the power to levy rates and taxes and it will continue to receive funding from government as evident from the equitable share allocation in terms of the Division of Revenue Act, (Act 5 of 2023).

Refer to the going concern note 68 for more detail.

3. Subsequent events

Refer to note 74.

4. Trading services

Effective from 1 July 2025, Mangaung Metropolitan Municipality is introducing ring-fenced business units for the Water and Sanitation Departments, in line with the National Treasury Municipal Budget and Reporting Regulations (2021) and the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA). These reforms are designed to strengthen financial sustainability, service delivery and governance in essential municipal trading services.

5. Accounting Officers' interest in contracts

None.

6. Accounting Officer

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

Name	Nationality
More S	South African

The consolidated annual financial statements set out on pages 195 to 358, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2025 and were signed by:

More S
City Manager

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Notes	Economic entity		Controlling entity	
		2025	2024 Restated*	2025	2024 Restated*
Assets					
Current Assets					
Inventory	3	690 728 315	647 296 478	436 295 070	425 668 037
Consumer receivables from exchange transactions	5	1 422 520 235	1 486 258 883	973 823 973	1 036 913 368
Consumer receivables from non-exchange transactions	6	435 453 044	449 935 403	435 453 044	449 935 403
Other receivables from exchange transactions	7	294 973 561	256 316 471	72 018 033	60 881 480
Other receivables from non-exchange transactions	4	6 292 732	3 801 564	6 292 732	3 801 564
VAT receivables	8	35 744 372	27 542 891	16 749 198	6 666 931
Centlec intercompany loan	9	-	-	1 106 629 079	822 297 757
Cash and cash equivalents	10	1 103 524 938	494 860 924	1 064 527 330	483 750 375
Centlec receivables	16	-	-	6 554 416	6 554 416
Non-current receivables	17	-	66 185	-	-
VAT input tax accrual and provision for VAT impairment	8	448 737 502	396 052 084	330 833 177	294 013 457
		4 437 974 699	3 762 130 883	4 449 176 052	3 590 482 788
Non-Current Assets					
Investment properties	11	1 604 198 979	1 590 665 600	1 604 198 979	1 590 665 600
Property, plant and equipment	12	22 362 092 506	17 827 911 840	11 157 298 907	11 486 568 658
Intangible assets	13	198 270 943	186 131 292	95 532 983	87 662 950
Heritage assets	14	263 297 202	261 740 952	263 297 202	261 740 952
Investments in controlled entities	15	-	-	100	100
Centlec receivables	16	-	-	563 821 120	838 245 325
Non-current receivables	17	2 561 521	181 690	190 938	181 690
Living resources	18	3 650 000	3 194 500	3 650 000	3 194 500
Deferred tax	19	2 967 638 581	1 534 418 783	-	-
		27 401 709 732	21 404 244 657	13 687 990 229	14 268 259 775
Total Assets		31 839 684 431	25 166 375 540	18 137 166 281	17 858 742 563
Liabilities					
Current Liabilities					
Payables from exchange transactions	20	3 430 937 135	2 890 429 862	1 603 659 439	1 761 532 933
Payables from non-exchange transactions	21	131 026 442	162 419 023	131 026 442	162 419 023
Consumer deposits	22	190 904 287	192 405 516	34 145 032	33 698 339
Unspent conditional grants and receipts	23	191 730 084	193 594 528	191 730 084	193 594 528
Borrowings	24	96 269 377	156 246 602	96 269 377	156 246 602
Provisions	25	156 297 404	152 602 161	156 297 404	152 602 161
Employee benefit obligations	26	44 349 000	62 083 000	39 335 000	39 381 000
Finance lease obligation	27	2 364 005	-	-	-
VAT output tax accrual	8	616 100 566	579 946 293	200 104 648	204 648 350
		4 859 978 300	4 389 726 985	2 452 567 426	2 704 122 936
Non-Current Liabilities					
Borrowings	24	54 304 749	279 516 756	54 304 749	150 576 463
Provisions	25	884 508 730	933 855 705	884 508 730	933 855 705
Employee benefit obligations	26	762 641 000	674 507 000	603 544 000	563 310 000
FRESHCO	28	107 136 548	121 264 444	107 136 548	121 264 444
Land availability	29	220 049 006	235 886 474	220 049 006	235 886 474
Finance lease obligation	27	2 893 015	-	-	-
Deferred tax	19	2 582 734 136	1 311 285 052	-	-
		4 614 267 184	3 556 315 431	1 869 543 033	2 004 893 086
Total Liabilities		9 474 245 484	7 946 042 416	4 322 110 459	4 709 016 022

* See Note 77

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Notes	Economic entity		Controlling entity	
		2025	2024 Restated*	2025	2024 Restated*
Net Assets		22 365 438 947	17 220 333 124	13 815 055 822	13 149 726 541
Reserves					
Revaluation reserve	30	9 861 928 132	4 991 470 579	855 465 420	867 249 077
Self-insurance reserve	31	10 000 000	10 000 000	10 000 000	10 000 000
COVID reserve	32	13 625 156	15 749 079	13 625 156	15 749 079
Other NDR	33	60 000 000	60 000 000	-	-
Accumulated surplus		12 419 885 659	12 143 113 466	12 935 965 246	12 256 728 385
Total Net Assets		22 365 438 947	17 220 333 124	13 815 055 822	13 149 726 541

* See Note 77

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand	Notes	Economic entity		Controlling entity	
		2025	2024 Restated*	2025	2024 Restated*
Revenue					
Revenue from exchange transactions					
Service charges	34	5 666 142 388	5 025 331 923	2 240 763 065	1 926 678 529
Rental of facilities and equipment	35	43 812 053	40 388 217	43 812 053	40 388 217
Other income from exchange transactions	37	55 979 691	51 312 803	44 947 764	36 303 539
Interest received from exchange transactions	38	743 058 723	653 872 857	989 894 418	885 032 125
Dividends received	38	9 271	8 036	9 271	8 036
Agency services	39	2 392 013	7 279 311	-	-
Service concession arrangements	40	29 969 321	29 967 588	29 969 321	29 967 588
Commission received	41	31 186 147	30 566 927	31 186 147	30 566 927
Transport fees	42	14 138 795	-	14 138 795	-
Total revenue from exchange transactions		6 586 688 402	5 838 727 662	3 394 720 834	2 948 944 961
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	43	1 792 354 861	1 448 159 127	1 792 354 861	1 448 159 127
Interest received from non-exchange transactions	44	206 878 034	172 226 079	206 878 034	172 226 079
Transfer revenue					
Fines, penalties and forfeits	36	58 314 548	96 657 670	44 841 943	92 918 436
Government grants & subsidies	45	2 346 106 978	2 191 147 817	2 346 106 978	2 191 147 817
Public contributions and donations	46	100 000	1 287 837	100 000	1 287 837
Municipal debt relief	47	416 349 573	-	287 409 280	-
Total revenue from non-exchange transactions		4 820 103 994	3 909 478 530	4 677 691 096	3 905 739 296
Total revenue		11 406 792 396	9 748 206 192	8 072 411 930	6 854 684 257
Expenditure					
Employee related costs	48	(2 621 550 446)	(2 415 959 324)	(2 060 142 456)	(1 904 927 871)
Remuneration of councillors	49	(77 818 081)	(74 551 839)	(77 818 081)	(74 551 839)
Depreciation and amortisation	50	(925 448 012)	(818 546 654)	(613 566 650)	(579 785 634)
Finance costs	52	(377 744 357)	(331 636 617)	(319 515 565)	(308 572 139)
Debt impairment and bad debt write off	54	(2 188 465 556)	(1 595 209 317)	(2 085 327 433)	(1 526 849 080)
General expenses	55	(517 413 298)	(468 837 827)	(531 017 469)	(486 216 142)
Bulk purchases	56	(3 743 816 126)	(3 384 844 887)	(993 348 140)	(914 593 751)
Contracted services	57	(809 692 007)	(780 298 766)	(660 201 687)	(647 205 404)
Grants, transfers and subsidies	58	-	-	(54 834 783)	(72 173 913)
Total expenditure		(11 261 947 883)	(9 869 885 231)	(7 395 772 264)	(6 514 875 773)
Operating surplus (deficit)		144 844 513	(121 679 039)	676 639 666	339 808 484
Inventory losses/write-downs	3	(6 623 760)	(1 995 706)	(6 623 760)	(1 995 706)
Gain on biological assets	18	570 500	630 600	570 500	630 600
Remeasurement of provision	25	50 517 361	100 360 677	50 517 361	100 360 677
Remeasurements of the net defined benefit liability	26	10 848 889	16 374 622	16 156 898	11 122 400
Impairment loss	51	(63 556 165)	(59 181 406)	(56 441 463)	(54 865 231)
Fair value adjustments	59	13 548 324	3 814 817	13 548 324	3 814 817
Gain/(loss) on disposal of assets and liabilities	60	(49 534 510)	5 196 225	(29 108 028)	8 506 209
		(44 229 361)	65 199 829	(11 380 168)	67 573 766
Surplus (deficit) before taxation		100 615 152	(56 479 210)	665 259 498	407 382 250
Taxation	61	(161 770 714)	(141 611 052)	-	-
Surplus for the year		262 385 866	85 131 842	665 259 498	407 382 250

* See Note 77

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Other NDR	Insurance reserve	COID reserve	Total reserves	Accumulated surplus / deficit	Total net assets
Economic entity							
Opening balance as previously reported	5 005 636 367	60 000 000	10 000 000	17 383 704	5 093 020 071	11 830 824 323	16 923 844 394
Adjustments	-	-	-	-	-	213 254 896	213 254 896
Prior year adjustments 77	-	-	-	-	-	12 044 079 219	17 137 099 290
Balance at 01 July 2023 as restated*	5 005 636 367	60 000 000	10 000 000	17 383 704	5 093 020 071	12 044 079 219	17 137 099 290
Changes in net assets	(408 768)	-	-	-	(408 768)	408 768	-
Realisation of the revaluation reserve through accumulated surplus	(408 768)	-	-	-	(408 768)	-	-
Disposals	(6 210 593)	-	-	-	(6 210 593)	-	(6 210 593)
Realisation of the revaluation reserve through depreciation	(11 859 012)	-	-	-	(11 859 012)	11 859 012	-
Prior period error	-	-	-	-	-	(72 445 690)	(72 445 690)
Revaluation of assets	4 312 585	-	-	-	4 312 585	-	4 312 585
Contribution received	-	-	1 145 719	-	1 145 719	(1 145 719)	-
Insurance claims processed	-	-	(1 145 719)	(1 634 625)	(2 780 344)	2 780 344	-
Net income (losses) recognised directly in net assets	(14 165 788)	-	-	(1 634 625)	(15 800 413)	(58 543 285)	(74 343 698)
Surplus for the year	-	-	-	-	-	157 577 532	157 577 532
Total recognised income and expenses for the year	(14 165 788)	-	-	(1 634 625)	(15 800 413)	99 034 247	83 233 834
Total changes	(14 165 788)	-	-	(1 634 625)	(15 800 413)	99 034 247	83 233 834
Restated* Balance at 01 July 2024	4 991 470 579	60 000 000	10 000 000	15 749 079	5 077 219 658	12 143 113 663	17 220 333 321
Changes in net assets	(408 768)	-	-	-	(408 768)	408 768	-
Realisation of the revaluation reserve through accumulated surplus	(408 768)	-	-	-	(408 768)	-	-
Realisation of the revaluation reserve through depreciation	(11 853 439)	-	-	-	(11 853 439)	11 853 439	-
Revaluation of assets	4 882 719 760	-	-	-	4 882 719 760	-	4 882 719 760
Contribution received	-	-	1 150 672	-	1 150 672	-	1 150 672
Insurance claims processed	-	-	(1 150 672)	(2 123 923)	(3 274 595)	2 123 923	(1 150 672)
Net income (losses) recognised directly in net assets	4 870 457 553	-	-	(2 123 923)	4 868 333 630	14 386 130	4 882 719 760
Surplus for the year	-	-	-	-	-	262 385 866	262 385 866
Total recognised income and expenses for the year	4 870 457 553	-	-	(2 123 923)	4 868 333 630	276 771 996	5 145 105 626
Total changes	4 870 457 553	-	-	(2 123 923)	4 868 333 630	276 771 996	5 145 105 626
Balance at 30 June 2025	9 861 928 132	60 000 000	10 000 000	13 625 156	9 945 553 288	12 419 885 659	22 365 438 947
Notes	30	33	31	32			

* See Note 77

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Other NDR	Insurance reserve	COVID reserve	Total reserves	Accumulated surplus	Total net assets
Controlling entity							
Opening balance as previously reported	875 069 544	-	10 000 000	17 383 704	902 453 248	11 974 334 952	12 876 788 200
Adjustments							
Prior year adjustments - note 77	-	-	-	-	-	(138 482 449)	(138 482 449)
Balance at 01 July 2023 as restated*	875 069 544	-	10 000 000	17 383 704	902 453 248	11 835 852 503	12 738 305 751
Changes in net assets							
Insurance claims processed	-	-	-	(1 634 625)	(1 634 625)	1 634 625	-
Contribution received	-	-	1 145 719	-	1 145 719	(1 145 719)	-
Insurance claims processed	-	-	(1 145 719)	-	(1 145 719)	1 145 719	-
Net income (losses) recognised directly in net assets	-	-	-	(1 634 625)	(1 634 625)	1 634 625	-
Surplus for the year as previously reported	-	-	-	-	-	471 400 544	471 400 544
Total recognised income and expenses for the year	-	-	-	(1 634 625)	(1 634 625)	473 035 169	471 400 544
Prior year adjustments - note 72	-	-	-	-	-	(64 018 299)	(64 018 299)
Realisation of the revaluation reserve - through depreciation	(11 859 012)	-	-	-	(11 859 012)	11 859 012	-
Revaluation of assets	4 312 585	-	-	-	4 312 585	-	4 312 585
Disposals	(274 040)	-	-	-	(274 040)	-	(274 040)
Total changes	(7 820 467)	-	-	(1 634 625)	(9 455 092)	420 875 882	411 420 790
Restated* Balance at 01 July 2024	867 249 077	-	10 000 000	15 749 079	892 998 156	12 256 728 386	13 149 726 542
Changes in net assets							
Insurance claims processed	-	-	-	(2 123 923)	(2 123 923)	2 123 923	-
Contribution received	-	-	1 150 672	-	1 150 672	-	1 150 672
Insurance claims processed	-	-	(1 150 672)	-	(1 150 672)	-	(1 150 672)
Net income (losses) recognised directly in net assets	-	-	-	(2 123 923)	(2 123 923)	2 123 923	-
Surplus for the year	-	-	-	-	-	665 259 498	665 259 498
Total recognised income and expenses for the year	-	-	-	(2 123 923)	(2 123 923)	667 383 421	665 259 498
Realisation of the revaluation reserve - through depreciation	(11 853 439)	-	-	-	(11 853 439)	11 853 439	-
Revaluation of assets	69 782	-	-	-	69 782	-	69 782
Total changes	(11 783 657)	-	-	(2 123 923)	(13 907 580)	679 236 860	665 329 280
Balance at 30 June 2025	855 465 420	-	10 000 000	13 625 156	879 090 576	12 935 965 246	13 815 055 822
Notes	30	33	31	32			

* See Note 77

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Notes	Economic entity		Controlling entity	
		2025	2024 Restated*	2025	2024 Restated*
Cash flows from operating activities					
Receipts					
Cash receipts from customers		6 704 727 956	6 113 348 783	3 219 312 645	2 491 786 771
Grants		2 344 242 534	1 932 315 809	2 344 242 534	1 932 315 809
Interest income		177 734 327	120 694 785	132 859 586	79 262 783
Dividends received		9 271	8 036	9 271	8 036
		<u>9 226 714 088</u>	<u>8 166 367 413</u>	<u>5 696 424 036</u>	<u>4 503 373 399</u>
Payments					
Employee costs		(2 681 668 739)	(2 461 354 297)	(2 131 096 055)	(1 961 649 732)
Suppliers		(4 909 633 104)	(5 031 691 142)	(2 383 406 405)	(2 074 393 999)
Finance costs		(45 503 145)	(13 491 992)	(5 910 231)	(6 049 158)
Grants paid		-	-	(54 834 783)	(72 173 913)
		<u>(7 636 804 988)</u>	<u>(7 506 537 431)</u>	<u>(4 575 247 474)</u>	<u>(4 114 266 802)</u>
Net cash flows from operating activities	62	<u>1 589 909 100</u>	<u>659 829 982</u>	<u>1 121 176 562</u>	<u>389 106 597</u>
Cash flows from investing activities					
Purchase of property, plant and equipment	12	(658 911 698)	(486 302 424)	(352 069 009)	(338 752 897)
Proceeds from sale of property, plant and equipment	12	13 578 325	2 809 395	-	-
Purchase of other intangible assets	13	(26 970 366)	(55 429 342)	(6 058 800)	(46 535 102)
Purchase of financial assets		(2 298 701)	230 914	5 697	(2 657)
		<u>(674 602 440)</u>	<u>(538 691 457)</u>	<u>(358 122 112)</u>	<u>(385 290 656)</u>
Net cash flows from investing activities		<u>(674 602 440)</u>	<u>(538 691 457)</u>	<u>(358 122 112)</u>	<u>(385 290 656)</u>
Cash flows from financing activities					
Repayment of borrowings		(285 189 232)	(291 942 493)	(156 248 939)	(163 002 198)
Finance lease payments		4 575 142	(1 566 824)	-	-
Finance cost		(26 028 556)	(43 929 200)	(26 028 556)	(43 929 200)
		<u>(306 642 646)</u>	<u>(337 438 517)</u>	<u>(182 277 495)</u>	<u>(206 931 398)</u>
Net cash flows from financing activities		<u>(306 642 646)</u>	<u>(337 438 517)</u>	<u>(182 277 495)</u>	<u>(206 931 398)</u>
Net increase/(decrease) in cash and cash equivalents		608 664 014	(216 299 992)	580 776 955	(203 115 457)
Cash and cash equivalents at the beginning of the year		494 860 924	711 160 916	483 750 375	686 865 832
Cash and cash equivalents at the end of the year	10	<u>1 103 524 938</u>	<u>494 860 924</u>	<u>1 064 527 330</u>	<u>483 750 375</u>

* See Note 77

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Revenue from exchange transactions	6 472 936 000	-	6 472 936 000	5 666 142 388	(806 793 612)	75.1
Rental of facilities and equipment	48 414 000	-	48 414 000	43 812 053	(4 601 947)	75.2
Other income from exchange transactions	63 111 030	-	63 111 030	55 979 691	(7 131 339)	75.3
Interest received from exchange transactions	673 372 000	-	673 372 000	743 058 723	69 686 723	75.4
Dividends received	12 000	-	12 000	9 271	(2 729)	75.5
Agency services	7 907 343	-	7 907 343	2 392 013	(5 515 330)	75.6
Service concession arrangements	1 271 032	-	1 271 032	29 969 321	28 698 289	75.7
Commissions received	30 998 835	-	30 998 835	31 186 147	187 312	75.8
Transport fees	22 193 760	-	22 193 760	14 138 795	(8 054 965)	75.9
Total revenue from exchange transactions	7 320 216 000	-	7 320 216 000	6 586 688 402	(733 527 598)	
Revenue from non-exchange transactions						
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	1 654 053 000	-	1 654 053 000	1 792 354 861	138 301 861	75.10
Interest received from non-exchange transactions	150 408 000	-	150 408 000	206 878 034	56 470 034	75.11
Transfer revenue						
Fines, Penalties and Forfeits	33 757 000	-	33 757 000	58 314 548	24 557 548	75.12
Government grants & subsidies	2 531 059 000	-	2 531 059 000	2 346 106 978	(184 952 022)	75.13
Public contributions and donations	-	-	-	100 000	100 000	75.14
Municipal debt relief	-	-	-	416 349 573	416 349 573	75.15
Total revenue from non-exchange transactions	4 369 277 000	-	4 369 277 000	4 820 103 994	450 826 994	
Total revenue	11 689 493 000	-	11 689 493 000	11 406 792 396	(282 700 604)	

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Budget on Accrual Basis						
Figures in Rand						
Expenditure						
Employee related costs	(2 495 954 000)	-	(2 495 954 000)	(2 621 550 446)	(125 596 446)	75.16
Remuneration of councillors	(78 428 000)	-	(78 428 000)	(77 818 081)	609 919	75.17
Depreciation and amortisation	(674 788 000)	-	(674 788 000)	(925 448 012)	(250 660 012)	75.18
Finance costs	(27 072 000)	-	(27 072 000)	(377 744 357)	(350 672 357)	75.19
Debt Impairment	(2 117 562 000)	-	(2 117 562 000)	(2 188 465 556)	(70 903 556)	75.20
Bulk purchases	(3 489 898 000)	-	(3 489 898 000)	(3 743 816 126)	(253 918 126)	75.21
Contracted Services	(771 372 000)	(3 612 417)	(774 984 417)	(809 692 007)	(34 707 590)	75.22
Grants, transfers and subsidies	(361 000)	310 000	(51 000)	-	51 000	75.23
General Expenses	(566 918 000)	3 302 417	(563 615 583)	(517 413 298)	46 202 285	75.24
Total expenditure	(10 222 353 000)	-	(10 222 353 000)	(11 261 947 883)	(1 039 594 883)	
Operating surplus	1 467 140 000	-	1 467 140 000	144 844 513	(1 322 295 487)	75.25
Inventories losses/write-downs	-	-	-	(6 623 760)	(6 623 760)	75.26
Gain on biological assets	-	-	-	570 500	570 500	75.27
Remeasurement of provision	-	-	-	50 517 361	50 517 361	75.28
Remeasurement of the net defined benefit liability	-	-	-	10 848 889	10 848 889	75.29
Fair value adjustments	-	-	-	13 548 324	13 548 324	75.30
Impairment loss	-	-	-	(63 556 165)	(63 556 165)	75.30
Gain/(loss) on disposal of assets and liabilities	(231 475 000)	-	(231 475 000)	(49 534 510)	181 940 490	75.31
Surplus before taxation	(231 475 000)	-	(231 475 000)	(44 229 361)	187 245 639	
Taxation	1 235 665 000	-	1 235 665 000	100 615 152	(1 135 049 848)	75.32
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	1 235 665 000	-	1 235 665 000	262 385 866	(973 279 134)	

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Current Assets						
Total current assets	4 725 964 000	-	4 725 964 000	4 437 974 699	(287 989 301)	75.33
Non-Current Assets						
Total non-current assets	22 266 095 000	-	22 266 095 000	27 401 709 732	5 135 614 732	75.34
Total Assets	26 992 059 000	-	26 992 059 000	31 839 684 431	4 847 625 431	
Current Liabilities						
Total current liabilities	2 518 116 000	-	2 518 116 000	4 859 978 300	2 341 862 300	75.35
Non-Current Liabilities						
Total non-current liabilities	1 958 998 000	-	1 958 998 000	4 614 267 184	2 655 269 184	75.36
Total Liabilities	4 477 114 000	-	4 477 114 000	9 474 245 484	4 997 131 484	
Net Assets	22 514 945 000	-	22 514 945 000	22 365 438 947	(149 506 053)	
Reserves						
Total reserves	22 514 945 000	-	22 514 945 000	22 365 438 947	(149 506 053)	75.37
Cash Flow Statement						
Net cash flows from operating activities	2 194 591 000	-	2 194 591 000	1 589 909 100	(604 681 900)	75.38
Net cash flows from investing activities	(1 329 981 000)	-	(1 329 981 000)	(674 602 440)	655 378 560	75.38
Net cash flows from financing activities	(122 408 000)	-	(122 408 000)	(306 642 646)	(184 234 646)	75.38
Total	742 202 000	-	742 202 000	608 664 014	(133 537 986)	
Net increase/(decrease) in cash and cash equivalents	742 202 000	-	742 202 000	608 664 014	(133 537 986)	

Figures in Rand

Mangaung Metropolitan Municipality Group

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	2 195 424 869	-	2 195 424 869	2 240 763 065	45 338 196	75.1
Rental of facilities and equipment	47 142 881	-	47 142 881	43 812 053	(3 330 828)	75.2
Other income from exchange transactions	57 674 169	-	57 674 169	44 947 764	(12 726 405)	75.3
Interest received from exchange transactions	668 856 078	-	668 856 078	989 894 418	321 038 340	75.4
Dividends received	12 398	-	12 398	9 271	(3 127)	75.5
Service concession arrangements	1 271 032	-	1 271 032	29 969 321	28 698 289	75.7
Commission received	30 998 835	-	30 998 835	31 186 147	187 312	75.8
Transport fees	22 193 760	-	22 193 760	14 138 795	(8 054 965)	75.9
Total revenue from exchange transactions	3 023 574 022	-	3 023 574 022	3 394 720 834	371 146 812	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	1 654 053 207	-	1 654 053 207	1 792 354 861	138 301 654	75.10
Interest received from non-exchange transactions	150 407 722	-	150 407 722	206 878 034	56 470 312	75.11
Transfer revenue						
Fines, penalties and forfeits	27 022 453	-	27 022 453	44 841 943	17 819 490	75.12
Government grants & subsidies	2 452 441 305	-	2 452 441 305	2 346 106 978	(106 334 327)	75.13
Public contributions and donations	-	-	-	100 000	100 000	75.14
Municipal debt relief	-	-	-	287 409 280	287 409 280	75.15
Total revenue from non-exchange transactions	4 283 924 687	-	4 283 924 687	4 677 691 096	393 766 409	
Total revenue	7 307 498 709	-	7 307 498 709	8 072 411 930	764 913 221	

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Expenditure						
Employee related cost	(1 990 838 482)	-	(1 990 838 482)	(2 060 142 456)	(69 303 974)	75.16
Remuneration of councillors	(78 406 200)	-	(78 406 200)	(77 818 081)	588 119	75.17
Depreciation and amortisation	(581 288 119)	-	(581 288 119)	(613 566 650)	(32 278 531)	75.18
Finance costs	(27 015 891)	-	(27 015 891)	(319 515 565)	(292 499 674)	75.19
Debt impairment	(1 800 000 000)	-	(1 800 000 000)	(2 085 327 433)	(285 327 433)	75.20
Bulk purchases	(507 699 999)	-	(507 699 999)	(993 348 140)	(485 648 141)	75.21
Contracted services	(646 804 814)	(3 612 417)	(650 417 231)	(660 201 687)	(9 784 456)	75.22
Grants, transfers and subsidies	(361 381)	310 000	(51 381)	(54 834 783)	(54 783 402)	75.23
General expenses	(294 763 945)	3 302 417	(291 461 528)	(531 017 469)	(239 555 941)	75.24
Total expenditure	(5 927 178 831)	-	(5 927 178 831)	(7 395 772 264)	(1 468 593 433)	
Operating surplus	1 380 319 878	-	1 380 319 878	676 639 666	(703 680 212)	75.25
Inventory losses/write-downs	-	-	-	(6 623 760)	(6 623 760)	75.26
Gain on biological assets	-	-	-	570 500	570 500	75.27
Remeasurement of provision	-	-	-	50 517 361	50 517 361	75.28
Remeasurements of the net defined benefit liability	-	-	-	16 156 898	16 156 898	75.29
Fair value adjustments	-	-	-	13 548 324	13 548 324	75.30
Impairment loss	-	-	-	(56 441 463)	(56 441 463)	75.31
Gain/(loss) on disposal of assets and liabilities	(371 700 000)	-	(371 700 000)	(29 108 028)	342 591 972	
	(371 700 000)	-	(371 700 000)	(11 380 168)	360 319 832	
Surplus/(deficit)	1 008 619 878	-	1 008 619 878	665 259 498	(343 360 380)	

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
Figures in Rand	Approved budget	Virements	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Current assets						
Total current assets	3 969 170 918	-	3 969 170 918	4 449 176 052	480 005 134	75.33
Non-Current Assets						
Total non-current assets	14 596 441 457	-	14 596 441 457	13 687 990 229	(908 451 228)	75.34
Total Assets	18 565 612 375	-	18 565 612 375	18 137 166 281	(428 446 094)	
Current Liabilities						
Total current liabilities	1 518 354 214	-	1 518 354 214	2 452 567 426	934 213 212	75.35
Non-Current Liabilities						
Total non-current liabilities	397 830 281	-	397 830 281	1 869 543 033	1 471 712 752	75.36
Total Liabilities	1 916 184 495	-	1 916 184 495	4 322 110 459	2 405 925 964	
Net Assets	16 649 427 880	-	16 649 427 880	13 815 055 822	(2 834 372 058)	
Reserves						
Total reserves	16 649 427 880	-	16 649 427 880	13 815 055 822	(2 834 372 058)	75.37
Cash Flow Statement						
Net cash flows from operating activities	1 791 455 651	-	1 791 455 651	1 121 176 562	(670 279 089)	75.38
Net cash flows from investing activities	(1 062 821 198)	-	(1 062 821 198)	(358 122 112)	704 699 086	75.38
Net cash flows from financing activities	5 333 222	-	5 333 222	(182 277 495)	(187 610 717)	75.38
Total	733 967 675	-	733 967 675	580 776 955	(153 190 720)	
Net increase/(decrease) in cash and cash equivalents	733 967 675	-	733 967 675	580 776 955	(153 190 720)	

Budget variances are disclosed in note 75.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

Figures in Rand	Notes	Economic entity		Controlling entity	
		2025	2024	2025	2024

1. Significant accounting policies

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

1.1 Basis of preparation

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

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

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.2 Going concern assumption

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

1.3 Materiality

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

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

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.4 Consolidation

Basis for consolidation

Consolidated annual financial statements are the consolidated annual financial statements of the municipality and its municipal entity presented as those of a single entity.

The consolidated annual financial statements incorporate the consolidated annual financial statements of the controlling entity and the controlled entity, including special purpose entities, which are controlled by the controlling entity.

Consolidated annual financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

The revenue and expenses of a controlled entity are included in the consolidated annual financial statements from the transfer date or acquisition date as defined in the Standards of GRAP on Transfer of functions between entities under common control or Transfer of functions between entities not under common control. The revenue and expenses of the controlled entity are based on the values of the assets and liabilities recognised in the controlling entity's consolidated annual financial statements at the acquisition date.

The consolidated annual financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated annual financial statements are prepared as of the same date.

When the end of the reporting dates of the controlling entity is different from that of a controlled entity, the controlled entity prepares, for consolidation purposes, additional consolidated annual financial statements as of the same date as the consolidated annual financial statements of the controlling entity unless it is impracticable to do so. When the consolidated annual financial statements of a controlled entity used in the preparation of consolidated annual financial statements are prepared as of a date different from that of the controlling entity, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the controlling entity's consolidated annual financial statements. In any case, the difference between the end of the reporting date of the controlled entity and that of the controlling entity is no more than three months. The length of the reporting periods and any difference between the ends of the reporting dates is the same from period to period.

Adjustments are made when necessary to the consolidated annual financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation. Non-controlling interest in the net assets of the municipality is identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets.

Changes in a controlling entity's ownership interest in a controlled entity that do not result in a loss of control are accounted for as transactions that affect net assets.

A special purpose entity is consolidated when the substance of the relationship between the municipality and the Special purpose entity indicates that the Special purpose entity is controlled by the municipality.

1.5 Significant judgements and sources of estimation uncertainty

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

Significant judgements include:

Trade receivables, loans and receivables

The economic entity assesses its trade receivables, loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Where the impairment for trade receivables, loans and receivables is calculated on a portfolio basis, based on historical loss ratios. These annual loss ratios are applied to the balances in the portfolio. The impairment is measured as the difference between the receivables' carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate, computed at initial recognition. The impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the statement of financial performance.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the economic entity is the current bid price.

The fair value of investment property is determined on the basis of a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

The fair value of items of land and buildings is determined from market-based evidence by appraisal. An appraisal of the value of the asset is undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification.

The fair value of heritage assets is the price at which the heritage asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of heritage assets is determined from market-based evidence determined by appraisal. An appraisal of the value of the asset is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification.

Impairment testing

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 25 - Provisions.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The economic entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The economic entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the economic entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the economic entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Useful lives and residual values

The municipality's management determines the estimated useful lives and related depreciation charges for assets as noted in accounting policies 1.6 and 1.7. These estimates are based on industry norm.

Management will increase the depreciation charge prospectively where useful lives are less than previously estimated useful lives. Management will decrease the depreciation charge prospectively where useful lives are more than previously estimated useful lives.

Where changes are made to the estimated residual lives, management also makes these changes prospectively.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Employee benefit obligation

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

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in note 26 - Employee benefit obligation.

1.6 Investment properties

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

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

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

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

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

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

Cost is the amount of cash or cash equivalents or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment properties, the carrying amount of the replaced part is derecognised.

Fair value

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

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

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

Although unlikely, if the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

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

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.6 Investment properties (continued)

Derecognition

Items of investment property are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset.

The gain or loss arising from the derecognition of an item of investment property is included in surplus or deficit when the item is derecognised.

The gain or loss arising from the derecognition of an item of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset.

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the consolidated annual financial statements (see note 11 - Investment property).

1.7 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

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

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

Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, buildings, water meters and zoo animals which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.7 Property, plant and equipment (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to accumulated surplus as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Depreciation and impairment

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

Land, except for landfill and quarry sites, is not depreciated as it has 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.

Subsequent to initial recognition, property, plant and equipment on the cost model is carried at cost less accumulated depreciation and any accumulated impairment losses. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

Item	Depreciation method	Average useful life
Land	None	Indefinite
Buildings	Straight-line	30 - 60
Landfill sites	Straight-line	10 - 55
Firearms	Straight-line	5 - 40
Environmental facilities	Straight-line	5 - 50
Roads and stormwater	Straight-line	3 - 100
Equipment under finance leases	Straight-line	3 - 5
Community/recreational	Straight-line	10 - 30
Sewerage and mains	Straight-line	10 - 60
Water network	Straight-line	5 - 100
Security	Straight-line	10
Housing	Straight-line	5 - 30
Other vehicles	Straight-line	5 - 20
Other assets	Straight-line	3 - 20
Zoo animals	Straight-line	4 - 100

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

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

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

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

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.7 Property, plant and equipment (continued)

Derecognition

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

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

Assets which the economic entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The economic entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 12 - Property, plant and equipment).

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 12 - Property, plant and equipment).

1.8 Intangible assets

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

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

Subsequent measurement

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

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

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

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

Amortisation begins when intangible assets are in the location and condition necessary for it to be capable of operating in the manner intended by management and ceases at the date that the asset is derecognised.

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1.8 Intangible assets (continued)

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	3 - 30
Servitudes	None	Indefinite

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 13 - Intangible assets).

Derecognition

Intangible assets are derecognised:

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

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

1.9 Living resources

Zoo animals comprise of animals held at Bloemfontein Zoo, Kwaggafontein and other nature areas.

Zoo animals are accounted for in terms of GRAP 110 as living resources. The majority of animals are received as donations and transfers from other similar institutions for no consideration or from procreation. These assets are recorded at fair value at the time of donation or transfer, and are depreciated accordingly.

Market determined prices or values are not available for certain animals due to lack of market because they are not commodities, as well as restrictions on trade of exotic animals which precludes the determination of a fair value. The fair value of zoo animals is determined based on market prices of zoo animals of similar age, breed and genetic merit.

Zoo animals are also acquired through supply chain process and these newly acquired animals are carried at cost less accumulated depreciation and any impairment losses. The offspring of newly acquired animals shall be recorded at a fair value at the time of birth and will also be depreciated accordingly.

Depreciation and impairment

Zoo animals are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of zoo animals listed below reflect useful lives of the different classes of animals at the various nature areas. Within the different classes of animals are a number of different species whose useful lives differ. Therefore, the useful lives of zoo animals listed below reflect the useful lives of the different species contained within a specific class of animals.

The longevity of zoo animals has been assessed as follows:

Item	Depreciation method	Average useful life
Aves	Straight-line	12 - 90 years
Mammalia	Straight-line	9 - 45 years
Reptilia	Straight-line	4 - 100 years

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

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

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Accounting Policies

Subsequent measurement

Zoo animals are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When an item of zoo animals is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in a zoo animal's carrying amount, as a result of a revaluation, is credited directly to the revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same zoo animal previously recognised in surplus or deficit.

Any decrease in a zoo animal's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that zoo animal.

The revaluation surplus in equity related to a specific item of zoo animals is transferred directly to accumulated surplus as the zoo animal is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the zoo animal.

Accounting treatment of other costs

Under the recognition principles in paragraph 1.16, the entity does not recognise in the carrying amount of a living resource the day-to-day costs, or the costs to maintain or to hold the living resource. Day-to-day costs are those costs incurred by an entity to manage the qualitative and quantitative changes of the biological transformation. Depending on its reason for holding the living resource, the entity assesses whether the costs incurred are day-to-day operating costs, or whether the incurred costs will enhance the future economic benefits or service potential of the resource.

Living resources comprise resources that are held for research, for example animals and plants used in testing facilities or laboratory animals. The principles in the Standard of GRAP on Intangible Assets (GRAP 31) indicate that during the research phase of an internal project, expenditure incurred as part of the research project should be recognised as an expense, because the entity cannot demonstrate that an asset exists that will generate future economic benefits or service potential. The principles in GRAP 31 are applied to assess whether costs incurred for research activities should be recognised as research or development costs.

Transfers of living resources

Transfers from living resources shall be made when, and only when, the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this Standard.

For a transfer from living resources carried at a revalued amount to property, plant and equipment (including bearer plants), inventories or to a biological asset, the living resource's deemed cost for subsequent accounting in accordance with the applicable Standard of GRAP shall be its revalued amount at the date of transfer. The entity shall apply the principles in this Standard up to the date of transfer. The entity treats any difference at that date between the carrying amount of the living resource and its fair value in the same way as a revaluation in accordance with GRAP 110 Living and Non-living Resources (Issued March 2017).

If an item of property, plant and equipment (including bearer plants) carried at a revalued amount, or a biological asset carried at fair value less cost to sell, is reclassified as a living resource carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that living resource.

For a transfer from inventories or a biological asset to living resources at a revalued amount, any difference between the fair value of the living resource at that date and its previous carrying amount shall be recognised in surplus or deficit.

Custodian assets

Where the entity acts as a custodian of a living or non-living resource, or group of living or non-living resources, other than land, the entity shall explain the nature of its custodial responsibility, including the legislation or similar means that establish.

1.10 Heritage assets

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

Recognition

The economic entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

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Accounting Policies

1.10 Heritage assets (continued)

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

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

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

Impairment

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

Compensation from third parties for items of heritage assets property that were impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

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

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

The entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (refer to note 14 - Heritage assets).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (refer to note 14 - Heritage assets).

1.11 Investment in controlled entities

Investments in controlled entities are carried at cost less any accumulated impairment.

The cost of an investment in a controlled entity is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the entity; plus
- any costs directly attributable to the purchase of the controlled entity.

1.12 Financial instruments

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

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

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Accounting Policies

1.12 Financial instruments (continued)

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

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

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

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

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

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

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

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

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

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

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

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Accounting Policies

1.12 Financial instruments (continued)

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

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

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

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

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

Classification

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

- Financial instruments measured at fair value;
- Financial instruments measured at amortised cost; and
- Financial instruments measured at cost.

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus, in the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments measured at fair value;
- Financial instruments measured at amortised cost; and
- Financial instruments measured at cost.

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

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Accounting Policies

1.12 Financial instruments (continued)

Fair value measurement considerations

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

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

Reclassification

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

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

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

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

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

Gains and losses

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

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

Impairment and uncollectibility of financial assets

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

The entity assesses financial assets individually, when assets are individually significant, and individually or collectively for financial assets that are not individually significant. Where no objective evidence of impairment exists for an individually assessed asset (whether individually significant or not), an entity includes the assets 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 the collective assessment of impairment.

For collective assessments of impairment, assets with similar credit risk characteristics are grouped together. The credit risk characteristics are indicative of the debtors' ability to pay all amounts due according to the contractual terms.

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Accounting Policies

1.12 Financial instruments (continued)

In making this assessment management may consider the following indicators as guidance for possible impairment:

- Significant financial difficulty experienced by the borrower/debtor;
- Delays in payments (including interest payments) or failure to pay/defaults;
- For economic or legal reasons, allowing disadvantaged customers who are experiencing financial difficulties to pay as and when they can. The entity would not otherwise have considered this concession. For example, allowing disadvantaged customers to pay their account when they can due to the fact that the water it supplies to the customer is a basic human right;
- It is probable that the borrower/debtor will enter sequestration (bankruptcy) or other financial reorganisation;
- The disappearance of an active market for the financial asset because of financial difficulties;
- Observable data, for example historical data, indicating that there is a decrease in the estimated future cash flows that will be received (which can be measured reliably), from a group of financial assets (financial assets with similar credit risk characteristics grouped together) since the initial recognition of those assets. The decrease may not yet be identified for the individual financial assets in the group. These can include:
 - the payment status of borrowers/debtors in the group has deteriorated (e.g. an increased number of delayed payments); or
 - national or local economic conditions that are in line with non-payments in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers/debtors, or adverse changes in market conditions that affect the borrowers/debtors in the group).
- Accounts in arrears for a period longer than the initial estimated repayment period;
- Accounts with arrears of over 90 days showing no repayments in the last financial year;
- Accounts handed over for collection;
- Any negative changes in the ability of debtors and borrowers to repay the amounts due to the entity (e.g. an increased number of late payments);
- A breach in contract, such as a default in interest or capital payments.

Management need not utilize all the indicators given above as guidance but only use the indicators to which management has sufficient information to make the assessment for possible or actual impairment.

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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1.12 Financial instruments (continued)

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognises the new financial asset, financial liability or servicing liability at fair value.

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

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

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Accounting Policies

1.12 Financial instruments (continued)

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

Class	Category
Consumer receivables from exchange transactions	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Centlec intercompany loan	Financial asset measured at amortised cost
Centlec receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Non-current receivables	Financial asset measured at amortised cost
Non-current receivables	Financial asset measured at fair value
Investment in controlled entity	Financial asset measured at cost

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

Class	Category
Borrowings	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost

1.13 Statutory receivables

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

Recognition

The economic entity recognises statutory receivables as follows:

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

Initial measurement

The economic entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Accrued interest

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

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

Other charges

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

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1.13 Statutory receivables (continued)

Impairment losses

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

The entity assesses statutory receivables individually, when assets are individually significant, and individually or collectively for statutory receivables that are not individually significant. Where no objective evidence of impairment exists for an individually assessed debtor (whether individually significant or not), an entity includes the assets in a group of statutory receivables with similar credit risk characteristics and collectively assesses them for impairment.

Statutory receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment of impairment.

For collective assessments of impairment, statutory receivables with similar credit risk characteristics are grouped together. The credit risk characteristics are indicative of the debtors' ability to pay all amounts due according to the contractual terms.

In making this assessment management may consider the following indicators as guidance for possible impairment:

- Significant financial difficulty experienced by the borrower/debtor;
- Delays in payments (including interest payments) or failure to pay/defaults;
- For economic or legal reasons, allowing disadvantaged customers who are experiencing financial difficulties to pay as and when they can. The entity would not otherwise have considered this concession. For example, allowing disadvantaged customers to pay their account when they can due to the fact that the water it supplies to the customer is a basic human right;
- It is probable that the borrower/debtor will enter sequestration (bankruptcy) or other financial reorganisation;
- Observable data, for example historical data, indicating that there is a decrease in the estimated future cash flows that will be received (which can be measured reliably), from a group of statutory receivables (statutory receivables with similar credit risk characteristics grouped together) since the initial recognition of those receivables. The decrease may not yet be identified for the individual financial receivable in the group.

These can include:

- the payment status of borrowers/debtors in the group has deteriorated (e.g. an increased number of delayed payments); or
- national or local economic conditions that are in line with non-payments in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers/debtors, or adverse changes in market conditions that affect the borrowers/debtors in the group);
- Accounts in arrears for a period longer than the initial estimated repayment period;
- Accounts with arrears of over 90 days showing no repayments in the last financial year;
- Accounts handed over for collection;
- Any negative changes in the ability of debtors and borrowers to repay the amounts due to the entity (e.g. an increased number of late payments);
- A breach in contract, such as a default in interest or capital payments.

Management need not utilize all the indicators given above as guidance but only use the indicators to which management has sufficient information to make the assessment for possible or actual impairment.

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

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

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

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

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Accounting Policies

1.13 Statutory receivables (continued)

Derecognition

The economic entity derecognises a statutory receivable, or a part thereof, when:

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

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

1.14 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

VAT

The entity accounts for VAT on the accrual basis, and is liable for VAT on the payment basis. The entity is liable to account for VAT at the standard rate in terms of section 7(1)(a) of the Value Added Tax Act, (Act 89 of 1991) in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11 of the VAT Act, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The entity accounts for VAT on a monthly basis.

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Accounting Policies

1.15 Leases

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

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

Finance leases - lessee

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

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

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

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

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

1.16 Inventory

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

Subsequently inventory is measured at the lower of cost and net realisable value.

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

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

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

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

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

The cost of inventory of items that are interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

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1.16 Inventory (continued)

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

1.17 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

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

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

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

1.18 Impairment of cash-generating assets

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

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

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

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

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

Depreciation and amortisation are the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Useful life is either:

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

All assets of the entity are accounted for as non-cash generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the economic entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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Accounting Policies

1.18 Impairment of cash-generating assets (continued)

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the economic entity applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use, the economic entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the economic entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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Accounting Policies

1.18 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the economic entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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Accounting Policies

1.18 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. 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 (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.19 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

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

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

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

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

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

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1.19 Impairment of non-cash-generating assets (continued)

All assets of the entity are accounted for as non-cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating 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 current 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 replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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Accounting Policies

1.19 Impairment of non-cash-generating assets (continued)

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating 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. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. 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 (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.20 Employee benefits

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

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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Accounting Policies

1.20 Employee benefits (continued)

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits

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

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

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.20 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability, the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise of assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus, any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.20 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises of:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.20 Employee benefits (continued)

Other long-term employee benefits

The entity provides other long-term employee benefits to qualifying employees in the form of long service award.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

The entity determines the present value of long-term employee benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity uses the Projected Unit Credit Method to determine the present value of its long service employee benefit and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

1.21 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

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

Provisions are not recognised for future operating surplus.

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

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.21 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

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

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

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

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

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 65 - Contingencies.

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

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

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

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

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

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

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

Decommissioning, restoration and similar liability

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, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.18 and 1.19.

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Accounting Policies

1.21 Provisions and contingencies (continued)

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

1.22 Commitments

Where the entity has a contractual commitment in respect of the acquisition of property, plant and equipment, these are disclosed in note 64 - Commitments.

The commitments as disclosed are the contractual amount less any payments made in respect of the contract.

1.23 Revenue from exchange transactions

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

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

Revenue from exchange transactions consists primarily of services charges, rentals, interest received and other services rendered.

When considering the probability of the future economic benefits that will flow to the entity, consideration is given to the requirements as outlined in IGRAP 1.

Measurement

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

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

Estimates

Specific properties that were not billed through normal billing processes were identified. An estimate of usage was calculated by determining the average consumption per suburb and using the respective average consumption per suburb to quantify the estimated usage for such a property in an applicable suburb. The approved tariffs were used to determine the financial impact of the estimation.

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.23 Revenue from exchange transactions (continued)

Sale of goods

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

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity 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 economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

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

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

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

Rendering of services consists out of solid waste, sanitation, sewerage and water services.

Interest, royalties and dividends

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

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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

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

Rental income

Leases revenue from operating leases shall be recognised as revenue on a straight-line basis over the lease term in accordance with the accounting policy on Leases.

Revenue arising from the use by others of entity assets yielding rental income is recognised when:

- a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- b) the amount of the revenue can be measured reliably.

Service charges

Service charges relating to distribution of electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made on a monthly basis when meter readings have not been performed.

The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is raised based on the average monthly consumption. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters are read. These adjustments are recognised as revenue in the invoicing period. Estimates of consumption between meter readings are based on historical information.

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Accounting Policies

1.23 Revenue from exchange transactions (continued)

Pre-paid electricity

Pre-paid electricity revenue is recognised at the point of sale. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. Pre-paid electricity sales are reconciled on a monthly basis and the sum of the monthly sales provides the total sales for the year. The financial year is divided in two seasons based on the application of tariffs with the seasons being summer (1 September – 31 May) and winter (1 June to 31 August).

The deferred portion of revenue is accounted for by an adjustment for units not consumed at year end. This adjustment is based on the average consumption history, multiplied by the weighted average cost of units sold in June. Average consumption in units is determined per active prepaid meter using a trend analysis of historical consumer purchase data per meter for the previous financial years' months of May, June and July.

The deferred portion of revenue is the amount by which the actual prepaid electricity sold for the month of June exceeds the average consumption calculated.

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Accounting Policies

1.24 Revenue from non-exchange transactions

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

Revenue from non-exchange transactions consists primarily of grants from National - and Provincial Government, Property rates and Fines revenue.

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

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

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

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

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

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

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

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

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

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

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

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

Recognition

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

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

When considering the probability of the future economic benefits that will flow to the entity, consideration is given to the requirements as outlined in IGRAP 1.

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.24 Revenue from non-exchange transactions (continued)

Measurement

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

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

Taxes

The entity recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the entity controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The entity analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Taxation revenue is not grossed up for the amount of tax expenditures.

Transfers

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

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

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

Debt forgiveness and assumption of liabilities

The entity recognise revenue in respect of debt forgiveness 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 debt forgiven.

Fines

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

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

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

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.24 Revenue from non-exchange transactions (continued)

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

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

Services in-kind

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

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

Concessionary loans received

A concessionary loan is a loan granted to or received by a property, plant and equipment on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the cash flow statement recognises revenue as and when it satisfies the conditions of the loan agreement.

Conditional grants and receipts

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

1.25 Investment income

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

1.26 Borrowing costs

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

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

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.27 General expenditure

General expenditure consists of operating expenses incurred in the normal course of the municipality's activities, other than those separately disclosed under specific accounting policies (such as employee-related costs, depreciation, impairments, finance costs, or provisions).

Recognition

General expenditure is recognised in the Statement of Financial Performance when it is probable that a decrease in future economic benefits or service potential has occurred, and the amount of the expense can be measured reliably in accordance with the Framework and relevant Standards of GRAP.

Measurement

General expenditure is measured at the amount paid or payable, being the fair value of the consideration given, and is accounted for on an accrual basis. This includes, but is not limited to:

- Contracted services;
- Inventory consumed (other than items capitalised as assets);
- Repairs and maintenance not qualifying for capitalisation;
- Utilities, communication and IT costs;
- Legal and professional fees;
- Insurance, licenses and subscriptions;
- Other day-to-day operational costs.

Presentation and disclosure

General expenditure is presented separately in the Statement of Financial Performance. Significant classes of expenditure within general expenditure are disclosed in the notes to the financial statements where material, in line with GRAP 1 on Presentation of Financial Statements.

1.28 Comparative figures

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

1.29 Unauthorised expenditure

Initial recognition:

Unauthorised expenditure is recognised in the notes to the financial statements when confirmed and determined at year end. The amount recorded is equal to the value of the overspending of the approved budget.

Unauthorised expenditure is any expenditure incurred by a municipality otherwise than in accordance with the approved budget as well as expenditure exceeding the limits of the amounts appropriated for in the different votes in the approved budget.

Depending on circumstances, identified unauthorised expenditure will be authorised by council in an adjustment budget, certified by municipal council as irrecoverable and written off by council or recovered from a liable official or political office bearer. In cases where unauthorised expenditure is recoverable from an official or political office bearer, resulting from necessary investigations, revenue and receivables are recognised. Unauthorised expenditure is disclosed in the notes to the financial statements.

1.30 Fruitless and wasteful expenditure

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

Initial recognition:

Fruitless and wasteful expenditure is recognised in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the fruitless and wasteful expenditure incurred.

Fruitless and wasteful expenditure which was incurred and identified during the financial year and also condoned by council in terms of the MFMA, is only disclosed in the notes to the financial statements. However, fruitless and wasteful expenditure which was incurred and identified during the financial year but failed to be condoned by council is initially recognised as expenditure based on its nature and after further investigations classified to revenue and receivables. Where it is not possible to recover the revenue recognised from fruitless and wasteful, the receivable is written-off following proper write-off processes in terms of the MFMA.

Detailed disclosures are made in note 70 to the consolidated annual financial statements as required by the Municipal Finance Management Act, (Act No. 56 of 2003).

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.31 Irregular expenditure

Irregular expenditure is expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal Finance Management Act, the Municipal Systems Act, or the Public Office-Bearers Act, and which has not been condoned in terms of the MFMA.

Initial recognition:

Irregular expenditure is recognised in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred.

Irregular expenditure which was incurred and identified during the financial year is disclosed in the financial statements. It will be accounted for as expenditure in the statement of financial performance and disclosed separately in the notes to the financial statements.

National Treasury circular 68 which was issued in terms of sections 32 of the Municipal Finance Management Act, Act 56 of 2003 on 10 May 2013 requires the following:

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

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

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

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

Detailed disclosures are made in note 71 to the consolidated annual financial statements as required by the Municipal Finance Management Act, (Act No. 56 of 2003).

1.32 Internal reserves

Self-insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the Self-Insurance Reserve is determined based on the insurance risk carried by the municipality, which is calculated by the entity's external insurance broker and is reinstated or increased by a transfer from the accumulated surplus or deficit.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Compensation for occupational injuries and diseases (COID) reserve

The Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993) is to provide for payment of medical treatment and compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. The contribution to the COID fund is 0.75% of the salary expense. The municipality is an exempt employer in terms of Section 84 (1) (a)(ii) & (2) and as such does not pay any assessments to the COID Commissioner. In terms of the exempt status the municipality is mandated to establish its own fund and administers this fund in terms of the COID Act.

Amounts are transferred to the COID reserve from the accumulated surplus or deficit based on the amounts as approved in the annual budget and determined by the Compensation Commissioner as well as additional amounts deemed necessary to ensure that the balance of the reserve is adequate to offset potential claims.

Claims are paid as determined by the Compensation Commissioner. Claims are settled by transferring a corresponding amount from the COID reserve to the accumulated surplus or deficit.

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.33 Revaluation reserve

The surplus arising from the revaluation of land, buildings, water meters and zoo animals is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

Any impairment loss of a revalued asset shall be treated as a revaluation decrease. To the extent that the impairment loss exceeds the revaluation surplus for the same asset, the impairment loss is recognised in the accumulated surplus/(deficit).

1.34 Segment information

A segment is an activity of an entity:

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

Segmental information on property, plant and equipment, as well as income and expenditure are set out in note 78 - Segment reporting, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The entity operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the annual financial statements.

1.35 Budget information

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

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

The approved budget is prepared on an accrual basis and presented by nature classification. The approved budget and the annual financial statements are prepared on the same basis.

The annual budget figures included in the annual financial statements are for the entity and do not include budget information relating to subsidiaries. The separate budget for the entity has been recompiled for the presentation in the annual financial statements. The recompilation does not constitute changes or revisions of the consolidated budget as approved by the Council.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are not on the same basis of accounting as determined by National Treasury.

Explanatory comments to material differences are provided in note 75 - Budget differences to the annual financial statements.

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.36 Related parties

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

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

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

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

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

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

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

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

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

1.37 Events after reporting date

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

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

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

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

Mangaung Metropolitan Municipality Group

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Accounting Policies

1.38 Service concession arrangements: Entity as grantor

Identification

Service concession arrangement is a contractual arrangement between a grantor and an operator in which an operator uses the services concession asset to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

A grantor is the entity that grants the right to use the service concession asset to the operator.

A mandated function involves the delivery of a public service by an operator on behalf of a grantor that falls within the grantor's mandate.

An operator is the entity that uses the service concession asset to provide a mandated function subject to the grantor's control of the asset.

A service concession asset is an asset used to provide a mandated function in a service concession arrangement that:

- is provided by the operator which:
 - the operator constructs, develops, or acquires from a third party; or
 - is an existing asset of the operator; or
- is provided by the grantor which:
 - is an existing asset of the grantor; or
 - is an upgrade to an existing asset of the grantor.

Recognition of asset and liability

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity, as a service concession asset if the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a "whole-of-life" asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Where the entity recognises a service concession asset, and the asset is not an existing asset of the entity (grantor), the entity (grantor) also recognises a liability.

The entity does not recognise a liability when an existing asset of the entity is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

Measurement of asset and liability

The entity initially measures the service concession asset as follows:

- Where the asset is not an existing asset of the entity, the asset is measured at its fair value.
- Where the asset is an existing asset of the entity and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment properties, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The entity initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the entity to the operator, or from the operator to the entity.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.38 Service concession arrangements: Entity as grantor (continued)

Financial liability model

Where the entity has an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, the entity accounts for the liability as a financial liability.

The entity allocates the payments to the operator and accounts for them according to their substance as a reduction in the liability recognised, a finance charge, and charges for services provided by the operator.

The finance charge and charges for services provided by the operator in a service concession arrangement are accounted for as expenses.

Where the asset and service components of a service concession arrangement are separately identifiable, the service components of payments from the entity to the operator are allocated by reference to the relative fair values of the service concession asset and the services.

Where the asset and service components are not separately identifiable, the service component of payments from the entity to the operator is determined using estimation techniques.

Grant of a right to the operator model

Where the entity does not have an unconditional obligation to pay cash or another financial asset to the operator for the construction, development, acquisition, or upgrade of a service concession asset, and grants the operator the right to earn revenue from third-party users or another revenue-generating asset, the entity accounts for the liability as the unearned portion of the revenue arising from the exchange of assets between the entity and the operator.

The entity recognises revenue and reduces the liability according to the substance of the service concession arrangement.

Dividing the arrangement

If the entity pays for the construction, development, acquisition, or upgrade of a service concession asset partly by incurring a financial liability and partly by the grant of a right to the operator, it accounts separately for each part of the total liability.

Other liabilities, contingent liabilities and contingent assets

The entity accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the policy on Provisions, Contingent liabilities and Contingent assets and Financial Instruments.

Other revenues

The entity accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.38 Service concession arrangements: Entity as grantor (continued)

Recognition of the performance obligation and the right to receive a significant interest in a service concession asset

If the entity controls a significant residual interest in a service concession asset at the end of the service concession arrangement through ownership, beneficial entitlement or otherwise, and the arrangement does not constitute a finance or an operating lease, the entity recognises its right to receive the residual interest (i.e. a receivable) in the service concession asset at the commencement of the arrangement.

The right to receive a residual interest in the service concession asset to be received at the end of the arrangement, is an exchange consideration. This is because the entity will receive an asset in exchange for granting the operator access to the asset while providing a mandated function on its behalf in accordance with the substance of the arrangement.

In terms of the policy on Revenue from exchange transactions, the exchange consideration is recognised and measured at fair value. The value of the receivable (the right to the residual interest in the asset), receivable at the end of the service concession arrangement, reflects the value of the service concession asset as if it were already in the age and in the condition expected at the end of the service concession arrangement.

When the entity recognises the right to receive a residual interest in the service concession asset, it also recognises its performance obligation for granting the operator access to the service concession asset in accordance with the substance of the arrangement. The value of the performance obligation is the same as the receivable interest recognised at the commencement of the service concession arrangement.

The performance obligation is reduced and revenue is recognised based on the substance of the arrangement.

Where service concession arrangements include provisions to adjust the arrangement for changes, the effect of such changes is deemed to have taken place at the inception of the service concession arrangements.

1.39 Advance receipts

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

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

All receipts received in advance are classified as non-exchange transactions as no approximate equal value is exchanged between the parties.

Refer to note 21 - Payables from non-exchange transactions where these receipts in advance are disclosed.

1.40 Grants and subsidies paid

The Municipality transfers money to individuals, organisations and other sectors of government from time to time. These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

IGRAP 22 Foreign Currency Transactions and Advance Consideration

Background

Paragraph .21 of the Standard of GRAP on The Effects of Changes in Foreign Exchange Rates (GRAP 4) requires an entity to record a foreign currency transaction, on initial recognition in its functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency (the exchange rate) at the date of the transaction. Paragraph .22 of GRAP 4 states that the date of the transaction is the date on which the transaction first qualifies for recognition in accordance with the Standards of GRAP.

When an entity pays or receives consideration in advance in a foreign currency, it generally recognises a non-monetary asset or non-monetary liability before the recognition of the related asset, expense or revenue. The related asset, expense or revenue (or part of it) is the amount recognised applying the relevant Standard of GRAP, which results in the derecognition of the non-monetary asset or non-monetary liability arising from the advance consideration.

A question arose asking how to determine "the date of the transaction" applying paragraphs .21 and .22 of GRAP 4 when recognising revenue. The question specifically addressed circumstances in which an entity recognises a non-monetary liability arising from the receipt of advance consideration before it recognises the related revenue. It was further noted that the receipt or payment of advance consideration in a foreign currency is not restricted to revenue transactions. Accordingly, it was decided to clarify the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue when an entity has received or paid advance consideration in a foreign currency.

Issue

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

Consensus

Applying paragraphs .21 and .22 of GRAP 4, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The effective date of this interpretation is for years beginning on or after 01 April 2025.

The economic entity expects to adopt the standard for the first time in the 2025/2026 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the economic entity's consolidated annual financial statements.

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments.

This included that:

- information on credit losses and defaults on financial assets received too late to enable proper decision-making,
- using fair value in certain instances was inappropriate, and
- some of the existing accounting requirements were seen as too rules based.

As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued;
- Loan commitments issued;
- Classification of financial assets;
- Amortised cost of financial assets;
- Impairment of financial assets; and
- Disclosures

The effective date of the revisions is for years beginning on or after 01 April 2025.

The economic entity expects to adopt the revisions for the first time in the 2025/2026 annual financial statements.

The impact of this standard is currently being assessed; however, the impact is likely to be material.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2025 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date:	Expected impact:
• GRAP 107 (as revised) Mergers	To be determined	Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	To be determined	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined	Unlikely there will be a material impact
• Improvements to Standards of GRAP (2023)	To be determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	To be determined	Unlikely there will be a material impact

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
3. Inventory				
Consumable stores	12 627 926	10 297 054	12 627 926	10 297 054
Fuel	1 775 892	1 379 512	1 775 892	1 379 512
Maintenance materials	2 189 650	4 203 441	2 189 650	4 203 441
Unsold properties held for resale	415 669 345	405 447 863	415 669 345	405 447 863
Water for distribution (in pipes and reservoirs)	4 032 257	4 340 167	4 032 257	4 340 167
Raw materials, components	254 433 245	221 628 441	-	-
	690 728 315	647 296 478	436 295 070	425 668 037
Inventories written off	6 623 760	1 995 706	6 623 760	1 995 706
	6 623 760	1 995 706	6 623 760	1 995 706
Inventories recognised as an expense during the year	195 742 947	142 148 640	46 273 244	40 745 701

An assessment of the net realisable value against cost was performed and raw materials, components was written up by R784 920 (2024: (R1 241 630)), from R5 658 046 to R4 873 125. The movement is included in the impairment loss note 51.

Prior period error:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

Included in inventories recognised as an expense during the year, are inventories that were recognised as stores issues amounting to R46,273,244 (2024: R40,745,701), for the controlling entity, and R195,742,947 (2024: R142,148,640), of which a portion was capitalised, for the economic entity.

The economic entity does not extract any non-regenerative resources for its use or for the use of others. All inventories, including water inventory, are acquired from third parties.

Inventory pledged as security

No inventory was pledged as security for any financial liability.

4. Other receivables from non-exchange transactions

Impound fees receivable	2 827 118	1 135 760	2 827 118	1 135 760
Traffic fines receivable	27 917 671	21 216 436	27 917 671	21 216 436
Impairment - Traffic fines receivable	(24 452 057)	(18 550 632)	(24 452 057)	(18 550 632)
	6 292 732	3 801 564	6 292 732	3 801 564

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Traffic fines receivable	3 465 614	2 665 804	3 465 614	2 665 804
Impound fees receivable	2 827 118	1 135 760	2 827 118	1 135 760
	6 292 732	3 801 564	6 292 732	3 801 564

Total net Other receivables from non-exchange transactions	6 292 732	3 801 564	6 292 732	3 801 564
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Other receivables from non-exchange transactions above relates to:

Traffic fines arise from fines revenue as disclosed in note 36 in accordance with Section 341 of the Criminal Procedure Act (Act 51 of 1977) and the National Traffic Act (Act 93 of 1996).

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

4. Other receivables from non-exchange transactions (continued)

Credit quality of other receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

None of the financial assets that are fully performing have been renegotiated in the last year.

The entity does not hold any collateral as security.

Other receivables from non-exchange transactions pledged as security

None of the other receivables from non-exchange transactions were pledged as security for any financial liability.

Statutory receivables general information

Traffic fines receivable:

Revenue type: Non-exchange revenue

Legislation that gives rise to the transactions - In accordance with the Administrative Adjudication of Road Traffic Offences Act, 1998.

Rates and interest charges - The Act determines rates; no interest is charged.

Impairment consideration - Collection rate of the balance as a whole, thereafter discounting is considered in terms of materiality.

Interest or other charges levied/charged

No other receivables from non-exchange transactions generated interest income and no other levies were charged.

Statutory receivables past due but not impaired

Statutory receivables which are past due are considered to be impaired. At 30 June 2025, R6 292 732 (2024: R3 801 564) were past due but not impaired for the controlling entity, and R6 292 732 (2024: R3 801 564) for the economic entity.

Factors the entity considered in assessing statutory receivables past due but not impaired

Other receivables from non-exchange transactions are assessed in terms of their respective overall payment percentages. Some receivables are therefore past due, but the balances are still expected to be recoverable based on the payment percentages.

Statutory receivables impaired

As at 30 June 2025, statutory receivables of R24 452 057 (2024: R18 550 632) were impaired and provided for.

The amount of the provision was R24 452 057 as at 30 June 2025 (2024: R18 550 632).

Reconciliation of provision for impairment of statutory receivables

Opening balance	18 550 632	125 731 030	18 550 632	125 731 030
Amounts written off as uncollectible	-	(114 350 195)	-	(114 350 195)
Provision for impairment	7 369 156	7 563 430	7 369 156	7 563 430
Reversal of impairment - Expired traffic fines	(1 467 731)	(393 633)	(1 467 731)	(393 633)
	<u>24 452 057</u>	<u>18 550 632</u>	<u>24 452 057</u>	<u>18 550 632</u>

Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

Significant impairment losses recognised or reversed

Impairment Recognised - Traffic fines receivables:

Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage. The impairment loss is similar to our expectation, but quantitatively the impairment is significant and therefore disclosed separately.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
5. Consumer receivables from exchange transactions				
Gross balances				
Electricity	1 252 126 281	1 149 859 890	-	-
Water	6 221 920 307	5 215 525 204	6 221 920 307	5 215 525 204
Sewerage	1 648 111 935	1 416 516 822	1 648 111 935	1 416 516 822
Refuse	741 550 281	640 120 629	741 550 281	640 120 629
Housing rental	84 584 982	74 037 453	84 584 982	74 037 453
	9 948 293 786	8 496 059 998	8 696 167 505	7 346 200 108
Less: Allowance for impairment				
Electricity	(803 430 019)	(700 514 375)	-	-
Water	(5 559 393 213)	(4 490 343 100)	(5 559 393 213)	(4 490 343 100)
Sewerage	(1 437 941 715)	(1 202 190 147)	(1 437 941 715)	(1 202 190 147)
Refuse	(644 786 258)	(547 756 625)	(644 786 258)	(547 756 625)
Housing rental	(80 222 346)	(68 996 868)	(80 222 346)	(68 996 868)
	(8 525 773 551)	(7 009 801 115)	(7 722 343 532)	(6 309 286 740)
Net balance				
Electricity	448 696 262	449 345 515	-	-
Water	662 527 094	725 182 104	662 527 094	725 182 104
Sewerage	210 170 220	214 326 675	210 170 220	214 326 675
Refuse	96 764 023	92 364 004	96 764 023	92 364 004
Housing rental	4 362 636	5 040 585	4 362 636	5 040 585
	1 422 520 235	1 486 258 883	973 823 973	1 036 913 368
Electricity				
Current (0 -30 days)	57 880 242	76 946 700	-	-
31 - 60 days	29 357 557	28 691 241	-	-
61 - 90 days	22 108 360	22 269 937	-	-
90+ days	895 875 506	805 485 604	-	-
Meter reading estimate at year end (Consumption across year end)	249 549 886	216 467 984	-	-
Discounting	(274 687)	(1 573)	-	-
Provision for impairment	(803 430 019)	(700 514 378)	-	-
Transferred to non-current receivables	(2 370 583)	-	-	-
	448 696 262	449 345 515	-	-
Water				
Current (0 -30 days)	211 785 458	206 126 808	211 785 458	206 126 808
31 - 60 days	183 807 771	233 709 702	183 807 771	233 709 702
61 - 90 days	137 695 680	128 149 795	137 695 680	128 149 795
91+ days	5 656 700 766	4 626 561 107	5 656 700 766	4 626 561 107
Meter reading estimate	31 930 632	20 977 792	31 930 632	20 977 792
Less: Impairment	(5 559 393 213)	(4 490 343 100)	(5 559 393 213)	(4 490 343 100)
	662 527 094	725 182 104	662 527 094	725 182 104
Sewerage				
Current (0 -30 days)	51 591 734	52 305 335	51 591 734	52 305 335
31 - 60 days	36 158 733	36 794 921	36 158 733	36 794 921
61 - 90 days	35 796 348	34 125 630	35 796 348	34 125 630
91+ days	1 524 565 120	1 293 290 936	1 524 565 120	1 293 290 936
Less: Impairment	(1 437 941 715)	(1 202 190 147)	(1 437 941 715)	(1 202 190 147)
	210 170 220	214 326 675	210 170 220	214 326 675

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
5. Consumer receivables from exchange transactions (continued)				
Refuse				
Current (0 -30 days)	19 354 038	17 789 078	19 354 038	17 789 078
31 - 60 days	15 073 899	14 925 512	15 073 899	14 925 512
61 - 90 days	14 040 803	14 054 759	14 040 803	14 054 759
91+ days	693 081 541	593 351 279	693 081 541	593 351 279
Less: Impairment	(644 786 258)	(547 756 624)	(644 786 258)	(547 756 624)
	96 764 023	92 364 004	96 764 023	92 364 004
Housing rental				
Current (0 -30 days)	1 212 292	1 080 990	1 212 292	1 080 990
31 - 60 days	1 014 540	1 061 643	1 014 540	1 061 643
61 - 90 days	1 051 658	1 221 862	1 051 658	1 221 862
91+ days	81 306 492	70 672 957	81 306 492	70 672 957
Less: Impairment	(80 222 346)	(68 996 867)	(80 222 346)	(68 996 867)
	4 362 636	5 040 585	4 362 636	5 040 585
Summary of debtors by customer classification				
Residential and Sundry				
Current (0 -30 days)	201 740 824	184 879 913	199 204 821	180 027 461
31 - 60 days	177 230 109	194 557 576	176 429 502	193 489 247
61 - 90 days	134 688 876	129 715 613	134 400 633	128 809 357
91+ days	5 950 816 149	4 979 232 541	5 825 477 099	4 854 664 072
Meter reading estimate	281 480 518	237 445 776	31 930 632	20 977 792
Discounting	(274 687)	(1 573)	-	-
Transferred to non-current receivables	(2 370 583)	-	-	-
	6 743 311 206	5 725 829 846	6 367 442 687	5 377 967 929
Less: Allowance for impairment	(5 906 376 230)	(4 886 870 930)	(5 780 600 312)	(4 761 752 272)
	836 934 976	838 958 916	586 842 375	616 215 657
Business/Commercial				
Current (0 -30 days)	82 756 223	114 224 569	51 230 751	60 668 213
31 - 60 days	36 482 757	40 652 512	25 478 147	26 531 476
61 - 90 days	32 558 731	33 783 221	23 158 902	21 518 298
91+ days	1 283 001 852	1 036 561 867	1 095 889 466	921 726 285
	1 434 799 563	1 225 222 169	1 195 757 266	1 030 444 272
Less: Allowance for impairment	(1 185 144 263)	(940 924 437)	(1 000 370 056)	(823 981 240)
	249 655 300	284 297 732	195 387 210	206 463 032
National and provincial government				
Current (0 -30 days)	57 326 716	55 144 428	33 507 949	36 606 537
31 - 60 days	51 699 635	79 973 931	34 147 295	66 472 055
61 - 90 days	43 445 241	36 323 149	31 024 953	27 224 391
91+ days	1 617 711 424	1 373 567 477	1 034 287 354	807 485 923
	1 770 183 016	1 545 008 985	1 132 967 551	937 788 906
Less: Allowance for impairment	(1 434 253 058)	(1 182 005 748)	(941 373 164)	(723 553 228)
	335 929 958	363 003 237	191 594 387	214 235 678

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
5. Consumer receivables from exchange transactions (continued)				
Total				
Current (0 -30 days)	341 823 764	354 248 911	283 943 522	277 302 211
31 - 60 days	265 412 501	315 183 019	236 054 944	286 491 778
61 - 90 days	210 692 848	199 821 983	188 584 488	177 552 046
91+ days	8 851 529 425	7 389 361 885	7 955 653 919	6 583 876 281
Meter reading estimate at year end (Consumption across year end)	281 480 518	237 445 776	31 930 632	20 977 792
Discounting	(274 687)	(1 573)	-	-
Transferred to non-current receivables	(2 370 583)	-	-	-
	<u>9 948 293 786</u>	<u>8 496 060 001</u>	<u>8 696 167 505</u>	<u>7 346 200 108</u>
Less: Allowance for impairment	(8 525 773 551)	(7 009 801 118)	(7 722 343 532)	(6 309 286 740)
	<u>1 422 520 235</u>	<u>1 486 258 883</u>	<u>973 823 973</u>	<u>1 036 913 368</u>

Consumer receivables pledged as security

None of the consumer receivables from exchange transactions were pledged as security for any financial liability.

Credit quality of consumer receivables

The credit quality of consumer receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

None of the consumer receivables from exchange transactions that are fully performing have been renegotiated in the last year.

Fair value of consumer debtors

Consumer receivables are reflected net of the provision for doubtful debt and the effect of discounting. the interest rate used in discounting is the prime rate at period end adjusted for CPI applicable to the public sector.

Consumer receivables past due but not impaired

Consumer receivables which are less than 90 days past due are not considered to be impaired. At 30 June 2025, R708 582 954 (2024: R741 346 035) were past due but not impaired for the controlling entity and at 30 June 2025, R910 374 601 (2024: R974 225 139) were past due but not impaired for the economic entity.

The ageing of amounts past due but not impaired is as follows:

Current (0 - 30 days)	330 218 252	343 103 252	283 943 522	277 302 211
1 month past due (31 - 60 days)	254 009 527	304 865 786	236 054 944	286 491 778
2 months past due (61 - 90 days)	326 146 822	326 256 101	188 584 488	177 552 046
	<u>910 374 601</u>	<u>974 225 139</u>	<u>708 582 954</u>	<u>741 346 035</u>

Consumer receivables impaired

As of 30 June 2025, consumer receivables of R7 722 343 532 (2024: R6 309 286 740) were impaired and provided for by the controlling entity and consumer receivables of R8 525 773 551 (2024: R7 009 801 115) were impaired and provided for by the economic entity.

The amount of the provision was R7 722 343 532 as of 30 June 2025 (2024: R6 309 286 740) for the controlling entity and the amount of the provision was R8 525 773 551 as of 30 June 2024 (2024: R7 009 801 115) for the economic entity.

The ageing of these consumer receivables is as follows:

1 to 3 months	34 568 435	31 743 181	-	-
Over 3 months	8 491 205 116	6 978 057 934	7 722 343 532	6 309 286 740
	<u>8 525 773 551</u>	<u>7 009 801 115</u>	<u>7 722 343 532</u>	<u>6 309 286 740</u>

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

5. Consumer receivables from exchange transactions (continued)

Reconciliation of allowance for impairment of consumer receivables from exchange transactions

Opening balance	7 009 801 115	6 414 505 642	6 309 286 740	5 782 351 504
Allowance for impairment	1 515 972 436	595 295 473	1 413 056 792	526 935 236
	8 525 773 551	7 009 801 115	7 722 343 532	6 309 286 740

Due to the limitations of the financial system, it is impractical to disclose the impaired interest on consumer receivables from exchange transactions.

The municipal entity enters into settlement agreements with debtors whose accounts are long overdue and these agreements carry no interest. The balance that is settled over a period longer than 12 months is deemed to constitute a financing arrangement and is accounted for at the net present value of the future cash flows. The accounts which are due for more than 12 months are disclosed as non-current receivables.

The creation and release of provision for impaired receivables have been included in expenses in the statement of financial performance. Unwinding of discount is included in the notes to the statement of financial performance. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of consumer receivable mentioned above. The municipal entity does not hold any collateral as security.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
6. Consumer receivables from non-exchange transactions				
Gross balances				
Consumer receivables - Rates	2 814 076 099	2 443 907 456	2 814 076 099	2 443 907 456
Less: Allowance for impairment				
Consumer receivables - Rates	(2 378 623 055)	(1 993 972 053)	(2 378 623 055)	(1 993 972 053)
Net balance				
Consumer receivables - Rates	435 453 044	449 935 403	435 453 044	449 935 403
Rates				
Current (0 -30 days)	134 598 942	123 162 324	134 598 942	123 162 324
31 - 60 days	80 170 289	86 193 315	80 170 289	86 193 315
61 - 90 days	78 932 776	79 302 767	78 932 776	79 302 767
91+ days	2 520 374 092	2 155 249 050	2 520 374 092	2 155 249 050
Less: Allowance for impairment	(2 378 623 055)	(1 993 972 053)	(2 378 623 055)	(1 993 972 053)
	435 453 044	449 935 403	435 453 044	449 935 403
Summary by customer classification				
Residential and Sundry				
Current (0 -30 days)	60 793 586	59 853 146	60 793 586	59 853 146
31 - 60 days	40 519 787	42 428 588	40 519 787	42 428 588
61 - 90 days	35 285 604	39 066 922	35 285 604	39 066 922
91+ days	1 382 464 951	1 220 219 597	1 382 464 951	1 220 219 597
	1 519 063 928	1 361 568 253	1 519 063 928	1 361 568 253
Less: Allowance for impairment	(1 335 656 738)	(1 166 910 693)	(1 335 656 738)	(1 166 910 693)
	183 407 190	194 657 560	183 407 190	194 657 560
Business/Commercial				
Current (0 -30 days)	55 550 732	57 625 894	55 550 732	57 625 894
31 - 60 days	21 766 562	22 561 101	21 766 562	22 561 101
61 - 90 days	19 734 048	19 655 111	19 734 048	19 655 111
91+ days	734 172 816	588 921 284	734 172 816	588 921 284
	831 224 158	688 763 390	831 224 158	688 763 390
Less: Allowance for impairment	(687 010 987)	(521 480 905)	(687 010 987)	(521 480 905)
	144 213 171	167 282 485	144 213 171	167 282 485
Government				
Current (0 -30 days)	18 254 624	5 683 285	18 254 624	5 683 285
31 - 60 days	17 883 940	21 203 626	17 883 940	21 203 626
61 - 90 days	23 913 124	20 580 733	23 913 124	20 580 733
91+ days	403 736 325	346 108 169	403 736 325	346 108 169
	463 788 013	393 575 813	463 788 013	393 575 813
Less: Allowance for impairment	(355 955 330)	(305 580 456)	(355 955 330)	(305 580 456)
	107 832 683	87 995 357	107 832 683	87 995 357
Total				
Current (0 -30 days)	134 598 942	123 162 324	134 598 942	123 162 324
31 - 60 days	80 170 289	86 193 315	80 170 289	86 193 315
61 - 90 days	78 932 776	79 302 767	78 932 776	79 302 767
91+ days	2 520 374 092	2 155 249 050	2 520 374 092	2 155 249 050
	2 814 076 099	2 443 907 456	2 814 076 099	2 443 907 456
Less: Allowance for impairment	(2 378 623 055)	(1 993 972 053)	(2 378 623 055)	(1 993 972 053)
	435 453 044	449 935 403	435 453 044	449 935 403

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
6. Consumer receivables from non-exchange transactions (continued)				
Reconciliation of allowance for impairment				
Balance at beginning of the year	1 993 972 053	1 703 007 287	1 993 972 053	1 703 007 287
Contributions to allowance	384 651 002	290 964 766	384 651 002	290 964 766
	2 378 623 055	1 993 972 053	2 378 623 055	1 993 972 053

Due to the limitations on the financial system, it is impractical to disclose the impaired interest on consumer receivables from non-exchange transactions.

Credit quality of consumer receivables from non-exchange transactions

Consumer receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired.

Consumer receivables from non-exchange transactions pledged as security

None of the consumer receivables from non-exchange transactions were pledged as security for any financial liability.

Statutory receivables general information

Consumer receivables from non-exchange transactions past due but not impaired

Consumer receivables from non-exchange transactions which are less than 90 days past due are not considered to be impaired. At 30 June 2025, R293 702 007 (2024: R288 658 406) were past due but not impaired for the controlling entity, and R293 702 007 (2024: R288 658 406) for the economic entity.

The ageing of amounts past due but not impaired are as follows:

Current (0 - 30 days)	134 598 942	123 162 324	134 598 942	123 162 324
1 month past due (31 - 60 days)	80 170 289	86 193 315	80 170 289	86 193 315
2 months past due (61 - 90 days)	78 932 776	79 302 767	78 932 776	79 302 767
	293 702 007	288 658 406	293 702 007	288 658 406

Consumer receivables from non-exchange transactions impaired

As at 30 June 2025, consumer receivables from non-exchange transactions of R2 378 623 055 (2024: R1 993 972 053) were impaired and provided for, for the controlling entity, and R2 378 623 055 (2024: R1 993 972 053) for the economic entity.

The ageing of amounts impaired is as follows:

Over 3 months	2 378 623 055	1 993 972 053	2 378 623 055	1 993 972 053
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Statutory receivables general information

Rates

Revenue type - Non-exchange revenue

Legislation that gives rise to the transactions - Municipal Property Rates Act (Act 6 of 2004).

Rates and interest charges - Municipal Tariff Policy, interest charged

Impairment consideration - Individual collection rates, interest charged at discount rate.

Interest or other charges levied/charged

Interest was only charged on outstanding rates accounts. No other levies were charged.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
6. Consumer receivables from non-exchange transactions (continued)				
Statutory receivables past due but not impaired				
Statutory receivables which are less than 90 days past due are not considered to be impaired. As of 30 June 2025, Statutory receivables of R293 702 007 (2024: R288 658 406) were past due but not impaired for the controlling entity, and R293 702 007 (2024: R288 658 406) for the economic entity.				
The ageing of amounts past due but not impaired is as follows:				
Current (0 - 30 days)	134 598 942	123 162 324	134 598 942	123 162 324
1 month past due (31 - 60 days)	80 170 289	86 193 315	80 170 289	86 193 315
2 months past due (61 - 90 days)	78 932 776	79 302 767	78 932 776	79 302 767
	293 702 007	288 658 406	293 702 007	288 658 406
Statutory receivables impaired				
As of 30 June 2025, statutory receivables of R2 378 623 055 (2024: R1 993 972 053) were impaired and provided for, for the controlling entity, and R2 378 623 055 (2024: R1 993 972 053) for the economic entity.				
The amount of the provision was R2 378 623 055 as at 30 June 2025 (2024: R1 993 972 053) for the controlling entity, and R2 378 623 055 (2024: R1 993 972 053) for the economic entity.				
Reconciliation of provision for impairment for statutory receivables				
Opening balance	1 993 972 053	1 703 007 287	1 993 972 053	1 703 007 287
Provision for impairment	384 651 002	290 964 766	384 651 002	290 964 766
	2 378 623 055	1 993 972 053	2 378 623 055	1 993 972 053
7. Other receivables from exchange transactions				
Non-impaired receivables				
Accrued interest on investments	287 259	209 044	287 259	209 044
Deferred lease	3 934 091	4 602 701	3 934 091	4 602 701
Deposits	1 493 602	1 222 704	-	-
DOE Grant - Southern Free State Towns	1 053 728	4 053 728	-	-
Garnishee orders	1 149 273	1 187 606	1 149 273	1 187 606
Kopanong Local Municipality	70 452 043	61 467 910	-	-
Mohokare Local Municipality	89 286 010	89 288 750	-	-
Other receivables	9 994 478	10 109 741	-	-
Overpayment of suppliers	140 295	-	140 295	-
Prepaid electricity vendors	50 234 921	28 758 680	-	-
Prepaid water vendors	19 681 752	17 035 446	19 681 752	17 035 446
Receipt reversal	440 746	533 478	-	-
Staff leave days receivable	119 332	2 486	119 332	2 486
	248 267 530	218 472 274	25 312 002	23 037 283
Impaired receivables				
Housing and erven selling schemes	3 464 580	3 310 905	3 464 580	3 310 905
Impairment - Housing and erven selling schemes	(3 280 594)	(3 117 388)	(3 280 594)	(3 117 388)
Sundry receivables	197 238 514	166 459 707	197 238 514	166 459 707
Impairment - Sundry receivables	(150 716 469)	(128 809 027)	(150 716 469)	(128 809 027)
	46 706 031	37 844 197	46 706 031	37 844 197
	294 973 561	256 316 471	72 018 033	60 881 480

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

7. Other receivables from exchange transactions (continued)

Credit quality of other receivables from exchange transactions

The credit quality of other receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

None of the other receivables from exchange transactions that are fully performing have been renegotiated in the last year.

Other receivables from exchange transactions pledged as security

None of the other receivables from exchange transactions were pledged as security for any financial liability.

Other receivables from exchange transactions past due but not impaired

Other receivables from exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2025, R9 581 519 (2024: R9 246 222) were past due but not impaired for the controlling entity, and R9 581 519 (2024: R9 246 222) for the economic entity.

The ageing of amounts past due but not impaired is as follows:

1 month past due	9 581 519	9 246 222	9 581 519	9 246 222
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Other receivables from exchange transactions impaired

As of 30 June 2025, other receivables from exchange transactions of R153 997 063 (2024: R131 926 415) were impaired and provided for, for the controlling entity, and R153 997 063 (2024: R131 926 415) for the economic entity.

The amount of the provision was R153 997 063 as of 30 June 2025 (2024: R131 926 415) for the controlling entity, and R153 997 063 (2024: R131 926 415) for the economic entity.

The ageing of these receivables is as follows:

Over 3 months	153 997 063	131 926 415	153 997 063	131 926 415
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Reconciliation of provision for impairment of other receivables from exchange transactions

Opening balance	131 926 415	100 869 845	131 926 415	100 869 845
Provision for impairment	22 070 648	31 056 570	22 070 648	31 056 570
	153 997 063	131 926 415	153 997 063	131 926 415

Other receivables from exchange transactions consist of receivables raised from other income from exchange transactions recognised, refer to note 37.

Due to the limitations on the financial system, it is impractical to disclose the impaired interest on other receivables from exchange transactions.

Prior period error

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

8. VAT receivable/(payable)

VAT receivable	35 744 372	27 542 891	16 749 198	6 666 931
VAT input tax accrual and provision for VAT impairment	448 737 502	396 052 084	330 833 177	294 013 457
VAT output tax accrual	(616 100 566)	(579 946 293)	(200 104 648)	(204 648 350)

VAT is payable on the payment basis. VAT is paid over to SARS only once payment is received from debtors.

VAT Receivable and VAT Payable are exchange transactions.

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

Mangaung Metropolitan Municipality Group

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

8. VAT receivable/(payable) (continued)

Statutory receivables/payables included in VAT receivables/payables above are as follows:

VAT receivable	35 744 372	27 542 891	16 749 198	6 666 931
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Statutory receivables/(payables) general information:

Revenue type - Exchange transactions

Legislation that gives rise to the transactions - Value Added Tax Act (Act 89 of 1991).

Rates and interest charges - The act determines rates and interest charge.

Impairment consideration - No impairment, balance expected to be fully recoverable.

Interest or other charges levied/charged:

No VAT receivable generated interest income and no other levies were charged.

Statutory receivables/(payables) impaired:

VAT receivables included in statutory receivables are not impaired nor considered for impairment, balance expected to be fully recoverable.

Prior period error:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

9. Centlec intercompany loan

Centlec intercompany loan	-	-	1 106 629 079	822 297 757
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The intercompany loan balance is the net balance payable or receivable of all transactions between Centlec (SOC) Limited and the municipality and interest is levied on the average balance for the year at the effective prime interest rate on the first day of the financial year. The applicable interest rate was 11.75% (2024: 11.75%).

Prior period error:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	140 549	140 549	140 549	140 549
Bank balances	48 313 060	62 614 337	35 149 464	52 343 056
Short-term deposits	1 055 071 329	432 106 038	1 029 237 317	431 266 770
	<u>1 103 524 938</u>	<u>494 860 924</u>	<u>1 064 527 330</u>	<u>483 750 375</u>

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating				
Ba1	1 103 384 389	494 720 375	1 064 386 781	483 609 826

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

10. Cash and cash equivalents (continued)

Cash and cash equivalents pledged as collateral

Total financial assets pledged as collateral for the COID Reserve	31 456 157	29 413 934	31 456 157	29 413 934
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The term deposit investment is pledged as security to the Compensation Commissioner of the Workmen's Compensation Fund to guarantee the payment of claims in respect of injuries while on duty.

The economic entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
Mangaung Metro Municipality Nedbank - Primary Account - 1186196793	24 050 821	45 729 484	39 053 647	24 050 821	45 809 818	41 117 133
Nedbank - Traffic - 1186245379	-	-	-	23 894	1 530	10 920
Nedbank - Charges - 1186660643	-	-	-	(53 356)	(43 275)	(53 416)
Nedbank - Cashiers - 1186239778	21 530	-	-	4 829 235	(38 588)	2 779 685
Nedbank - Fresh Produce Market - 1186414936	5 635 062	6 129 551	4 835 437	5 635 062	6 129 551	4 835 437
ABSA - Primary Account - 470000465	663 808	484 021	1 402 707	663 808	484 020	1 402 707
	30 371 221	52 343 056	45 291 791	35 149 464	52 343 056	50 092 466
Centlec SOC Ltd						
ABSA Bank - Cheque account - 4058833582	3 914 225	4 985 191	4 032 634	8 095 026	9 265 968	7 765 659
ABSA Bank - Cheque account - 4055133721	-	(16)	7	-	(16)	7
ABSA Bank - Cheque account - 4054065339	-	32 980	18 646	18 541	51 521	37 387
ABSA Bank - Cheque account - 470001402	4 934 326	1 183 681	1 395 908	4 640 961	893 311	1 105 537
ABSA Bank - Cheque account - 4054530924	-	-	-	-	(294)	(295)
ABSA Bank - Cheque account - 4078209583	575 149	37 551	21 043	408 004	(84 698)	(72 348)
ABSA Bank - Cheque account - 4080522070	1 758	3 345	7 409	1 759	3 345	7 409
ABSA Bank - Cheque account - 4080521896	-	-	79	-	85	79
ABSA Bank - Cheque account - 9326102088	375	143 130	15 099 918	(695)	142 059	15 099 508
	9 425 833	6 385 862	20 575 644	13 163 596	10 271 281	23 942 943
Total	39 797 054	58 728 918	65 867 435	48 313 060	62 614 337	74 035 409

The cash book balances indicated in the table above are balances prior to the sweeping of sub-accounts to the main account done by the bank at year end.

Summary of short-term deposits held

ABSA	57 341 169	30 253 202	31 456 157	29 413 934
Nedbank	997 781 160	401 852 836	997 781 160	401 852 836
	1 055 122 329	432 106 038	1 029 237 317	431 266 770

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

11. Investment properties

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1 604 198 979	-	1 604 198 979	1 590 665 600	-	1 590 665 600

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	1 604 198 979	-	1 604 198 979	1 590 665 600	-	1 590 665 600

Reconciliation of investment properties - Economic entity - 2025

	Opening balance	Fair value adjustments	Total
Investment property	1 590 665 600	13 533 379	1 604 198 979

Reconciliation of investment properties - Economic entity - 2024

	Opening balance	Fair value adjustments	Total
Investment property	1 587 424 015	3 241 585	1 590 665 600

Reconciliation of investment properties - Controlling entity - 2025

	Opening balance	Fair value adjustments	Total
Investment property	1 590 665 600	13 533 379	1 604 198 979

Reconciliation of investment properties - Controlling entity - 2024

	Opening balance	Fair value adjustments	Total
Investment property	1 587 424 015	3 241 585	1 590 665 600

Pledged as security

No investment property has been pledged as security for any financial liability.

Investment property in the process of being constructed or developed

No investment property is in the process of being constructed or developed.

Details of property

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

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

11. Investment properties (continued)

Details of valuation

The effective date of the valuation was 30 June 2025. The economic entity's investment properties were revalued by independent professional qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

The investment properties were revalued with reference to comparable market data where available, as well as information from the valuation roll.

Investment properties above include the following:

Revenue generating investment property	1 182 768 224	1 180 410 000	1 182 768 224	1 180 410 000
Non-revenue generating investment property	421 430 755	410 254 800	421 430 755	410 254 800
	<u>1 604 198 979</u>	<u>1 590 664 800</u>	<u>1 604 198 979</u>	<u>1 590 664 800</u>

Amounts recognised in surplus or deficit

Rental revenue from Investment property	6 347 613	6 133 283	6 347 613	6 133 283
Direct operating expenses	<u>6 358 020</u>	<u>6 924 293</u>	<u>6 358 020</u>	<u>6 924 293</u>

This cost consists of payments made to contractors for repairing and maintaining these assets.

No staff member is engaged in any labour towards the repair and maintenance of investment property.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand

12. Property, plant and equipment

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 318 894 952	-	1 318 894 952	1 314 680 701	-	1 314 680 701
Buildings	1 213 241 798	(117 626 478)	1 095 615 320	1 169 716 539	(104 733 161)	1 064 983 378
Buildings - Service concession asset	304 960 000	-	304 960 000	304 960 000	-	304 960 000
Buildings - WIP	19 700 603	-	19 700 603	16 583 064	-	16 583 064
Infrastructure - Electricity network	10 721 408 880	-	10 721 408 880	7 816 824 730	(1 757 868 184)	6 058 956 546
Infrastructure - Roads and roads related	6 731 543 145	(4 281 746 159)	2 449 796 986	6 685 864 998	(3 987 084 277)	2 698 780 721
Infrastructure - Sanitation network	3 583 972 290	(1 482 318 962)	2 101 653 328	3 538 417 132	(1 358 919 880)	2 179 497 252
Infrastructure - Water meters	159 525 923	(56 509 395)	103 016 528	138 007 962	(43 464 743)	94 543 219
Infrastructure - Water network	2 594 572 315	(1 328 259 950)	1 266 312 365	2 582 579 562	(1 227 369 781)	1 355 209 781
Infrastructure - W/IP	1 287 115 761	-	1 287 115 761	1 002 422 259	-	1 002 422 259
Community - Landfill sites and quarries	939 149 769	(663 756 957)	275 392 812	1 045 428 415	(644 492 280)	400 936 135
Community - Other	1 342 122 249	(857 748 370)	484 373 879	1 331 321 237	(828 370 803)	502 950 434
Community - W/IP	222 588 745	-	222 588 745	173 795 582	-	173 795 582
Fleet	820 839 937	(428 230 980)	392 608 957	799 267 765	(390 161 180)	409 106 585
Other property, plant and equipment	257 646 877	(128 245 082)	129 401 795	249 739 877	(188 485 289)	61 254 588
Infrastructure - Roads and roads related - Service concession asset	140 558 103	-	140 558 103	140 558 103	-	140 558 103
Infrastructure - Sanitation network - Service concession asset	35 548 674	-	35 548 674	35 548 674	-	35 548 674
Infrastructure - Water network - Service concession asset	14 836 180	(1 691 362)	13 144 818	14 836 180	(1 691 362)	13 144 818
Total	31 708 226 201	(9 346 133 695)	22 362 092 506	28 360 552 780	(10 532 640 940)	17 827 911 840

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand

12. Property, plant and equipment (continued)

Controlling entity	2025		2024			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation		
				Accumulated depreciation and accumulated impairment	Carrying value	
Land	1 303 499 019	-	1 303 499 019	1 305 349 388	1 305 349 388	
Buildings	1 073 865 448	(117 626 478)	956 238 970	1 071 940 728	993 547 399	
Buildings - Service concession asset	304 960 000	-	304 960 000	304 960 000	304 960 000	
Buildings - WIP	6 716 572	-	6 716 572	5 349 987	5 349 987	
Infrastructure - Roads and roads related	6 731 543 145	(4 281 746 158)	2 449 796 986	6 685 864 998	2 698 780 721	
Infrastructure - Sanitation network	3 583 972 290	(1 482 318 962)	2 101 653 328	3 538 417 132	2 179 487 252	
Infrastructure - Water meters	159 525 923	(56 509 395)	103 016 528	138 007 962	94 543 219	
Infrastructure - Water network	2 594 572 315	(1 328 259 950)	1 266 312 365	2 582 579 562	1 355 209 781	
Infrastructure - WIP	1 098 230 494	-	1 098 230 494	873 812 552	873 812 552	
Community - Landfill sites and quarries	939 149 769	(663 756 957)	275 392 812	1 045 428 415	400 936 135	
Community - Other	1 342 122 249	(857 748 370)	484 373 879	1 331 321 237	502 950 434	
Community - WIP	222 588 745	-	222 588 745	173 795 582	173 795 582	
Fleet	693 571 152	(329 473 754)	364 097 398	667 957 990	372 881 870	
Other property, plant and equipment	96 474 487	(65 304 271)	31 170 216	162 668 287	35 702 743	
Infrastructure - Roads and roads related - Service concession asset	140 558 103	-	140 558 103	140 558 103	140 558 103	
Infrastructure - Sanitation network - Service concession asset	35 548 674	-	35 548 674	35 548 674	35 548 674	
Infrastructure - Water network - Service concession asset	14 836 180	(1 691 362)	13 144 818	14 836 180	13 144 818	
Total	20 341 734 565	(9 184 435 658)	11 157 298 907	20 078 396 777	(8 591 828 119)	11 486 568 658

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Figures in Rand

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2025

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	1 314 680 701	4 000	-	(1 854 369)	6 064 620	-	-	1 318 894 952
Buildings	1 064 983 378	9 115 727	-	(402 539)	63 636 415	(41 717 661)	-	1 095 615 320
Buildings - Service concession asset	304 960 000	-	-	(1 556 245)	-	-	-	304 960 000
Buildings - WIP	16 583 064	4 673 784	-	171	-	-	-	19 700 603
Infrastructure - Electricity network	6 058 956 546	156 287 970	(33 458 119)	-	4 831 757 437	(277 163 313)	(14 971 812)	10 721 408 880
Infrastructure - Roads and roads related	2 698 780 721	46 363 079	(251 044)	-	-	(295 095 770)	-	2 449 796 986
Infrastructure - Sanitation network	2 179 497 252	45 567 805	(12 646)	-	-	(97 312 739)	(26 086 344)	2 101 653 328
Infrastructure - Water meters	94 543 219	23 394 066	(1 108 545)	-	-	(13 812 212)	-	103 016 528
Infrastructure - Water network	1 355 209 781	12 556 769	(289 307)	-	-	(70 809 758)	(30 355 120)	1 266 312 365
Infrastructure - WIP	1 002 422 259	494 878 626	-	(210 185 124)	-	-	-	1 287 115 761
Community - Landfill sites and quarries	400 936 135	2 607 864	-	-	(108 886 509)	(19 264 678)	-	275 392 812
Community - Other	502 950 434	10 801 012	-	-	-	(29 377 567)	-	484 373 879
Community - WIP	173 795 582	66 006 511	(17 213 348)	-	-	-	-	222 588 745
Fleet	409 106 585	30 784 010	(3 764 846)	-	-	(43 392 573)	(124 219)	392 608 957
Other property, plant and equipment	61 254 588	95 677 258	(6 824 007)	-	-	(20 694 222)	(11 822)	129 401 795
Infrastructure - Roads and roads related - Service concession asset	140 558 103	-	-	-	-	-	-	140 558 103
Infrastructure - Sanitation network - Service concession asset	35 548 674	-	-	-	-	-	-	35 548 674
Infrastructure - Water network - Service concession asset	13 144 818	-	-	-	-	-	-	13 144 818
	17 827 911 840	998 718 481	(62 921 862)	(213 998 106)	4 792 571 963	(908 640 493)	(71 549 317)	22 362 092 506

Mangaung Metropolitan Municipality Group

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Figures in Rand

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	1 293 046 484	28 542 000	(1 026 000)	(5 881 783)	-	-	-	1 314 680 701
Buildings	1 104 364 074	3 462 114	(19 285)	-	-	(42 823 525)	-	1 064 983 378
Buildings - Service concession asset	304 960 000	-	-	-	-	-	-	304 960 000
Buildings - WIP	14 846 578	1 736 486	-	-	-	-	-	16 583 064
Infrastructure - Electricity network	6 155 388 124	127 939 567	(4 657 996)	-	(5 936 553)	(210 701 820)	(3 074 776)	6 058 956 546
Infrastructure - Roads and roads related	2 759 985 738	59 890 469	(9 997 873)	136 937 200	-	(248 034 813)	-	2 698 780 721
Infrastructure - Sanitation network	2 271 285 365	4 589 936	-	23 602 543	-	(119 980 592)	-	2 179 497 252
Infrastructure - Water meters	101 242 736	21 295 932	(762 899)	-	-	(13 825 787)	(13 406 763)	94 543 219
Infrastructure - Water network	1 415 295 214	4 075 677	-	7 994 332	-	(72 155 442)	-	1 355 209 781
Infrastructure - WIP	989 329 290	309 749 653	-	(296 656 684)	-	-	-	1 002 422 259
Community - Landfill sites and quarries	123 716 102	-	(2 036 919)	-	292 894 129	(7 739 860)	(5 897 317)	400 936 135
Community - Other	578 136 375	2 220 474	(5 051 934)	-	-	(36 793 330)	(35 561 151)	502 950 434
Community - WIP	149 069 966	24 725 616	-	-	-	-	-	173 795 582
Fleet	329 742 496	121 356 898	(1 367 986)	-	-	(40 594 597)	(30 226)	409 106 585
Other property, plant and equipment	49 309 192	28 925 520	(119 419)	-	-	(16 856 518)	(4 187)	61 254 588
Infrastructure - Roads and roads related - Service concession asset	140 558 103	-	-	-	-	-	-	140 558 103
Infrastructure - Sanitation network - Service concession asset	35 548 674	-	-	-	-	-	-	35 548 674
Infrastructure - Water network - Service concession asset	13 144 818	-	-	-	-	-	-	13 144 818
	17 828 969 329	738 510 342	(25 040 311)	(134 004 392)	286 957 576	(809 506 284)	(57 974 420)	17 827 911 840

Mangaung Metropolitan Municipality Group

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Figures in Rand

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2025

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	1 305 349 388	4 000	-	(1 854 369)	-	-	-	1 303 499 019
Buildings	993 547 399	2 352 397	-	(402 539)	-	(39 258 287)	-	956 238 970
Buildings - Service concession asset	304 960 000	-	-	-	-	-	-	304 960 000
Buildings - WIP	5 349 987	2 922 830	-	(1 556 245)	-	-	-	6 716 572
Infrastructure - Roads and roads related	2 698 780 721	46 363 079	(251 044)	-	-	(295 095 770)	-	2 449 796 986
Infrastructure - Sanitation network	2 179 497 252	45 567 805	(12 646)	-	-	(97 312 739)	(26 086 344)	2 101 653 328
Infrastructure - Water meters	94 543 219	23 394 066	(1 108 545)	-	-	(13 812 212)	-	103 016 528
Infrastructure - Water network	1 355 209 781	12 556 769	(289 307)	-	-	(70 809 758)	(30 355 120)	1 266 312 365
Infrastructure - WIP	873 812 552	278 315 096	-	(53 897 154)	-	-	-	1 098 230 494
Community - Landfill sites and quarries	400 936 135	2 607 864	-	-	(108 886 509)	(19 264 678)	-	275 392 812
Community - Other	502 950 434	10 801 012	-	-	-	(29 377 567)	-	484 373 879
Community - WIP	173 795 582	66 006 511	(17 213 348)	-	-	-	-	222 588 745
Fleet	372 881 870	30 784 010	(3 390 686)	-	-	(36 177 796)	-	364 097 398
Other property, plant and equipment	35 702 743	13 912 553	(6 651 479)	-	-	(11 793 601)	-	31 170 216
Infrastructure - Roads and roads related - Service concession asset	140 558 103	-	-	-	-	-	-	140 558 103
Infrastructure - Sanitation network - Service concession asset	35 548 674	-	-	-	-	-	-	35 548 674
Infrastructure - Water network - Service concession asset	13 144 818	-	-	-	-	-	-	13 144 818
	11 486 568 658	535 587 992	(28 917 055)	(57 710 307)	(108 886 509)	(612 902 408)	(56 441 464)	11 157 298 907

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand

12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2024

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	1 283 715 171	28 542 000	(1 026 000)	(5 881 783)	-	-	-	1 305 349 388
Buildings	1 029 362 083	3 462 114	(19 285)	-	-	(39 257 513)	-	993 547 399
Buildings - Service concession asset	304 960 000	-	-	-	-	-	-	304 960 000
Buildings - WIP	3 788 636	1 561 351	-	-	-	-	-	5 349 987
Infrastructure - Roads and roads related	2 759 985 738	59 890 469	(9 997 873)	136 937 200	-	(248 034 813)	-	2 698 780 721
Infrastructure - Sanitation network	2 271 285 365	4 589 936	-	23 602 543	-	(119 980 592)	-	2 179 497 252
Infrastructure - Water meters	101 242 736	21 295 932	(762 899)	-	-	(13 825 787)	(13 406 763)	94 543 219
Infrastructure - Water network	1 415 295 214	4 075 677	-	7 994 332	-	(72 155 442)	-	1 355 209 781
Infrastructure - WIP	866 094 524	176 435 145	-	(168 717 117)	-	-	-	873 812 552
Community - Landfill sites and quarries	123 716 102	-	(2 036 919)	-	292 894 129	(7 739 860)	(5 897 317)	400 936 135
Community - Other	578 136 375	2 220 474	(5 051 934)	-	-	(36 793 330)	(35 561 151)	502 960 434
Community - WIP	149 069 966	24 725 616	-	-	-	-	-	173 795 582
Fleet	282 870 945	121 356 898	(121 725)	-	-	(31 224 248)	-	372 881 870
Other property, plant and equipment	31 112 746	14 801 989	(42 712)	-	-	(10 169 280)	-	35 702 743
Infrastructure - Roads and roads related - Service concession asset	140 558 103	-	-	-	-	-	-	140 558 103
Infrastructure - Sanitation network - Service concession asset	35 548 674	-	-	-	-	-	-	35 548 674
Infrastructure - Water network - Service concession asset	13 144 818	-	-	-	-	-	-	13 144 818
	11 389 887 196	462 957 601	(19 059 347)	(6 064 825)	292 894 129	(579 180 865)	(54 865 231)	11 486 568 658

Pledged as security

No property, plant and equipment were pledged as security for any financial liability.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

12. Property, plant and equipment (continued)

Revaluations

Revaluation of land and buildings (Mangaung Metro Municipality):

The effective date of the revaluation was 30 June 2022. Revaluations were performed by independent professionally qualified valuers who hold a recognised professional qualification and have recent experience in the locations and categories of the properties valued. The values of the properties were determined based on the market values and the information obtained from the valuation roll.

Revaluation of land and buildings (Centlec):

The effective date of the revaluations for land and buildings was year end 30 June 2025. Revaluations for land and buildings were performed by the independent valuers, Mr. Theunis Hendrik Myburgh & Mr. Raymond Taylor, professional valuers in terms of the Valuers' Act (Act 23 of 1982) of Equity Valuers. Equity Valuers are not connected to the municipal entity.

The effective date of the revaluations for the infrastructure assets was year end 30 June 2025. Revaluations for infrastructure assets was performed by the independent valuers, Infratec Consulting (Pty) Ltd, with a multi-disciplinary team comprising of:

- Mr Rofhiwa Khaukanani, a registered Professional Electrical and Electronic Engineer (Pr.Eng) with the Engineering Council of South Africa (ECSA), Senior Certified Asset Manager (SAAMA) and Certified Asset Management Assessor (WPIAM);
- Mr. Gracious Ngwenya, a registered Professional Electrical Engineer (Pr.Eng) with the Engineering Council of South Africa (ECSA);
- Mr. Chesray Jansen, a GIS technician with a Diploma in Geoinformation Science and Technology; and
- Ms. Ambeso Sifo, a qualified Chartered Accountant (SA), registered with the South African Institute of Chartered Accountants (SAICA).

Infratec Consulting (Pty) Ltd is not connected to the municipal entity.

The valuations were performed using the depreciated replacement costs method.

Unit rates are obtained for each asset through quotation. Unit rates are adjusted with the following factors:

- Preliminary & General (P & G's)
- Contingencies
- Engineering fees

The depreciated replacement costs are calculated by taking into account the estimated useful life and the condition of the asset.

Depreciated replacement costs = (Current Replacement Cost – Residual Value) x (Remaining Useful Life / Estimated Useful life) + Residual Value.

Revaluations of water meters (Mangaung Metro Municipality):

The effective date of the revaluation was 30 June 2022. Revaluations were performed by an independent firm who have recent experience in the locations and categories of the meters valued.

The valuations were performed after the following factors were taken into account:

- the useful lives; and
- the condition of the asset.

Details of properties

A register containing the information required by section 63 of the Municipal Finance Management Act, (Act 56 of 2003) is available for inspection at the registered office of the municipality.

Prior period errors

Certain prior period figures were restated due to errors identified in the current financial year, refer to note 77 for further detail.

Change in estimate

For certain classes of property, plant and equipment the remaining useful lives were adjusted to a minimum remaining useful life of 3 years, refer to note 76 for further detail.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
12. Property, plant and equipment (continued)				
Carrying value of property, plant and equipment that is taking a significantly longer period				
Implementation of projects affected by the appointment of new service providers:				
Project C273/PP3 & C534 - Botshabelo Node Phase 2	22 597 512	22 597 512	22 597 512	22 597 512
Project C415/B1 - Internal sewer reticulation	11 736 430	11 736 430	11 736 430	11 736 430
Project W1107(1), (3) - Refurbishment of Water Supply Systems	34 893 642	34 893 642	34 893 642	34 893 642
Project W1404, A, B, C - Botshabelo and Thaba Nchu internal bulk	63 758 655	63 758 655	63 758 655	63 758 655
Project T1432, -Man 10786 Bergman Square	30 605 220	30 322 913	30 605 220	30 322 913
	163 591 459	163 309 152	163 591 459	163 309 152
Implementation of projects affected by budgetary constraints:				
Project C063/A1 - Vistapark 2 - Re-align bulk water pipeline	24 038 124	24 038 124	24 038 124	24 038 124
Project T1419B, B (!) - Road 6 (Phase 2) Upgrading of Street & Storm Water	3 424 081	3 424 081	3 424 081	3 424 081
Project T1522 - Thaba Nchu Rd 2029	436 992	436 992	436 992	436 992
Project W1515 - Maselspoort WTW Refurbishment	2 809 609	2 809 609	2 809 609	2 809 609
Project T1527B, C - Botshabelo: Bogach St: Upgrading of streets	11 562 502	753 831	11 562 502	753 831
Project C480, C380/A1, C380/W1 - New office block (Botshabelo)	2 234 859	2 234 859	2 234 859	2 234 859
Conversion of the old power station into offices	11 057 942	11 057 942	-	-
	55 564 109	44 755 438	44 506 167	33 697 496
Contracts/Projects placed on hold:				
Project C288, 155 - Relocation of zoo	-	17 213 348	-	17 213 348
Project C550 - Waaihoek Precinct	4 860 048	4 860 048	4 860 048	4 860 048
Project C582/D1 - IPTN Bus Depot	46 634 298	46 634 298	46 634 298	46 634 298
Project C652, C685 - Grassland, Phase 4, Bot R Water Retic	47 032 249	47 032 249	47 032 249	47 032 249
Project C615 - Moroka Ins of Water and Sewer	5 732 552	5 732 552	5 732 552	5 732 552
Project T1428, -1, 2, A, A3, A4 - Man Road 198, 199, 200	16 210 403	15 627 170	16 210 403	15 627 170
Solar farm project	591 000	591 000	-	-
Project C639/X2 - Pig farming unit	2 769 170	2 769 170	2 769 170	2 769 170
	123 829 720	140 459 835	123 238 720	139 868 835
	342 985 288	348 524 425	331 336 346	336 875 483
Expenditure incurred to repair and maintain property, plant and equipment				
Contracted services	422 964 608	348 962 477	272 500 984	234 545 998
General expenses	57 965 311	40 540 222	-	-
	480 929 919	389 502 699	272 500 984	234 545 998

Prior period figures for contracted services (repairs and maintenance) were restated due to errors, refer to note 77 for prior period errors.

Mangaung Metropolitan Municipality Group

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

12. Property, plant and equipment (continued)

Reconciliation of additions for the Cash Flow Statement

Cash additions	658 911 697	486 302 423	352 069 009	338 752 897
Non-cash additions	316 412 718	252 383 054	183 518 983	124 204 704
	975 324 415	738 685 477	535 587 992	462 957 601

Deemed cost

Deemed cost was determined using depreciated replacement cost.

Assets subject to finance lease (Net carrying amount)

Office equipment	4 999 757	-	-	-
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Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

13. Intangible assets

Economic entity	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Acquisition of rights	74 058 800	-	74 058 800	68 000 000	-	68 000 000
Computer software	90 408 883	(72 564 900)	17 843 983	77 360 057	(63 311 455)	14 048 602
Intangible assets - WIP	17 832 036	-	17 832 036	15 546 566	-	15 546 566
Servitudes	88 536 124	-	88 536 124	88 536 124	-	88 536 124
Total	270 835 843	(72 564 900)	198 270 943	249 442 747	(63 311 455)	186 131 292

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Acquisition of rights	74 058 800	-	74 058 800	68 000 000	-	68 000 000
Computer software	13 911 417	(10 574 977)	3 336 440	13 911 417	(10 100 740)	3 810 677
Intangible assets - WIP	17 832 036	-	17 832 036	15 546 566	-	15 546 566
Servitudes	305 707	-	305 707	305 707	-	305 707
Total	106 107 960	(10 574 977)	95 532 983	97 763 690	(10 100 740)	87 662 950

Reconciliation of intangible assets - Economic entity - 2025

	Opening balance	Additions	Disposals	Amortisation	Total
Acquisition of rights	68 000 000	6 058 800	-	-	74 058 800
Computer software	14 048 602	20 911 566	(498 671)	(16 617 514)	17 843 983
Intangible assets - WIP	15 546 566	2 285 470	-	-	17 832 036
Servitudes	88 536 124	-	-	-	88 536 124
	186 131 292	29 255 836	(498 671)	(16 617 514)	198 270 943

Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Acquisition of rights	27 200 000	40 800 000	-	-	68 000 000
Computer software	13 415 755	9 586 839	(138 415)	(8 815 577)	14 048 602
Intangible assets - WIP	10 504 064	5 042 502	-	-	15 546 566
Servitudes	88 536 124	-	-	-	88 536 124
	139 655 943	55 429 341	(138 415)	(8 815 577)	186 131 292

Reconciliation of intangible assets - Controlling entity - 2025

	Opening balance	Additions	Amortisation	Total
Acquisition of rights	68 000 000	6 058 800	-	74 058 800
Computer software	3 810 677	-	(474 237)	3 336 440
Intangible assets - WIP	15 546 566	2 285 470	-	17 832 036
Servitudes	305 707	-	-	305 707
	87 662 950	8 344 270	(474 237)	95 532 983

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

13. Intangible assets (continued)

Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Additions	Amortisation	Total
Acquisition of rights	27 200 000	40 800 000	-	68 000 000
Computer software	3 498 053	692 600	(379 976)	3 810 677
Intangible assets - WIP	10 504 064	5 042 502	-	15 546 566
Servitudes	305 707	-	-	305 707
	41 507 824	46 535 102	(379 976)	87 662 950

Pledged as security

None of the intangible assets were pledged as security.

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

Telemetry and Scada	14 950 728	13 166 826	14 950 728	13 166 826
MAST System	2 881 308	2 379 741	2 881 308	2 379 741
	17 832 036	15 546 567	17 832 036	15 546 567

Intangible assets with indefinite useful lives

Servitudes	88 536 124	88 536 124	305 707	305 707
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The servitudes held by the entity are land rights that have been issued to the taxi route agreements. the entity entered into restraint of trade agreements with various taxi operators using the Brandwag route due to the planned implementation of the Starter Service Route of Hauweng on this route.

The land held by the entity, including servitudes, is deemed to have an indefinite useful life.

Reconciliation of additions for the Cash Flow Statement

Cash additions	26 970 366	55 429 341	6 058 800	46 535 102
Non-cash additions	2 285 470	-	2 285 470	-
	29 255 836	55 429 341	8 344 270	46 535 102

Deemed cost:

Deemed cost was determined using depreciated replacement cost.

Prior period error:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

14. Heritage assets

Economic entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Buildings and statues	248 191 138	-	248 191 138	246 634 888	-	246 634 888
Vintage fleet	10 029 320	-	10 029 320	10 029 320	-	10 029 320
Other movable heritage assets	3 116 744	-	3 116 744	3 116 744	-	3 116 744
Land	1 960 000	-	1 960 000	1 960 000	-	1 960 000
Total	263 297 202	-	263 297 202	261 740 952	-	261 740 952

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Buildings and statues	248 191 138	-	248 191 138	246 634 888	-	246 634 888
Vintage fleet	10 029 320	-	10 029 320	10 029 320	-	10 029 320
Other movable heritage assets	3 116 744	-	3 116 744	3 116 744	-	3 116 744
Land	1 960 000	-	1 960 000	1 960 000	-	1 960 000
Total	263 297 202	-	263 297 202	261 740 952	-	261 740 952

Reconciliation of heritage assets Economic entity - 2025

	Opening balance	Additions	Total
Buildings and statues	246 634 888	1 556 250	248 191 138
Vintage fleet	10 029 320	-	10 029 320
Other movable heritage assets	3 116 744	-	3 116 744
Land	1 960 000	-	1 960 000
	261 740 952	1 556 250	263 297 202

Reconciliation of heritage assets Economic entity - 2024

	Opening balance	Revaluation decrease	Total
Buildings and statues	246 634 888	-	246 634 888
Vintage fleet	10 029 320	-	10 029 320
Other movable heritage assets	3 232 332	(115 588)	3 116 744
Land	1 960 000	-	1 960 000
	261 856 540	(115 588)	261 740 952

Reconciliation of heritage assets Controlling entity - 2025

	Opening balance	Additions	Total
Buildings and statues	246 634 888	1 556 250	248 191 138
Vintage fleet	10 029 320	-	10 029 320
Other movable heritage assets	3 116 744	-	3 116 744
Land	1 960 000	-	1 960 000
	261 740 952	1 556 250	263 297 202

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

14. Heritage assets (continued)

Reconciliation of heritage assets Controlling entity - 2024

	Opening balance	Additions	Revaluation decrease	Total
Buildings and statues	246 634 888	-	-	246 634 888
Vintage fleet	10 029 320	-	-	10 029 320
Other movable heritage assets	3 232 332	-	(115 588)	3 116 744
Land	1 960 000	-	-	1 960 000
	261 856 540	-	(115 588)	261 740 952

Pledged as security

No heritage assets have been pledged as security for any financial liability.

Revaluations

Other heritage assets

The effective date of the revaluation was 30 June 2024. Revaluations were performed by independent qualified valuers who hold a recognised professional qualification and have recent experience in the locations and categories of the properties valued.

The values of the properties were determined based on the market values and the information obtained from the municipal valuation roll.

The valuation was performed after the following factors were taken into account:

- the useful life of the asset;
- the condition of the asset; and
- the location of the asset.

Heritage assets in the process of being constructed or developed

No heritage assets are in the process of being constructed or developed.

Deemed costs

Deemed cost was determined using depreciated replacement cost.

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

15. Investments in controlled entities

Centlec (SOC) Limited

Opening balance	-	-	100	100
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Mangaung Metro Municipality has a 100% (2024: 100%) ownership in Centlec (SOC) Limited.

The carrying amounts of controlled entities are shown net of impairment losses.

On the 4th of June 2021, there was a council resolution for the determination of a new sale of business agreement between Centlec and the municipality. The agreement was to be implemented within 21 days, however, based on the legal and accounting implications, council resolved to defer the implementation's financial period of the resolution from 2020/21 to a further period that would be determined by council.

A Due Diligence investigation was performed on this matter during the current year and the report will be presented to council during the following financial year for consideration and action.

16. Centlec receivables

Controlled entities

Capital advances - current	-	-	6 554 416	6 554 416
Capital advances - non-current	-	-	28 081 541	34 635 957
Shareholders loan - non-current	-	-	535 739 579	803 609 368
	-	-	570 375 536	844 799 741
Non-current assets	-	-	563 821 120	838 245 325
Current assets	-	-	6 554 416	6 554 416
	-	-	570 375 536	844 799 741

Capital advances

The amount is composed of various advances that have been loaned to Centlec (SOC) Limited by the entity during prior years. Each portion has a different redemption period that extends over the useful life of each specific asset, at an interest rate of 11.75% (2024: 11.75%).

Shareholders loan

The capital amount outstanding shall bear interest at the lower of 15% of Centlec (SOC) Limited's prior year revenue or the interest rate used as at 30 June 2010 (i.e. 8,7%), adjusted for CPI as per the Public Finance Sector.

The adjusted interest rate as at 30 June 2025 was 22.38% (2024: 21.93%). The applicable rate for the current year and the prior year was based on the adjusted CPI as per the Public Finance Sector.

The loan is repayable from 2015 over a period of 21 years.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
17. Non-current receivables				
Designated at fair value				
2535 Unlisted shares (Thaba Nchu) - OVK Limited	63 670	56 625	63 670	56 625
2573 Unlisted shares (Naledi) - OVK Limited	70 294	62 395	70 294	62 395
3685 Unlisted shares - Senwes Ltd	48 006	48 006	48 006	48 006
	181 970	167 026	181 970	167 026
At amortised cost				
Consumer debtors - Arrangements	2 370 583	-	-	-
Kopanong Local Municipality	-	66 185	-	-
Housing and erven selling schemes	9 980 776	9 926 873	9 980 776	9 926 873
Impairment - Housing and erven selling schemes	(9 971 808)	(9 912 209)	(9 971 808)	(9 912 209)
	2 379 551	80 849	8 968	14 664
Total other financial assets	2 561 521	247 875	190 938	181 690
Non-current assets				
Designated at fair value	181 970	167 026	181 970	167 026
At amortised cost	2 379 551	14 664	8 968	14 664
	2 561 521	181 690	190 938	181 690
Current assets				
At amortised cost	-	66 185	-	-

Terms and conditions:

Housing and erven selling schemes

Loans were granted to qualifying individuals and public organisations in terms of the housing program. These loans attract interest of between 6% and 14% per annum and are repayable on a monthly basis by way of salary deductions for officials and six-monthly payments for public organisations over a period of 20 years.

Kopanong Local Municipality

The capital funding provided to Kopanong Local Municipality is repayable in monthly installments based on the estimated useful life of the capital asset. The capital advances bears interest at 10%.

Mangaung Metropolitan Municipality Group

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

17. Non-current receivables (continued)

Financial assets at fair value

Fair value hierarchy of financial assets at fair value

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements. The fair value hierarchy have the following levels:

Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 applies inputs which are not based on observable market data.

Level 3

Class 1 (unlisted shares)	181 970	167 026	181 970	167 026
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Renegotiated terms

The service level agreement with Mohokare Local Municipality was terminated during the 2023-24 financial year and the balance of the capital advance loan as at date of termination became payable and was transferred to the Mohokare Local Municipality - Other receivables from exchange transactions as a receivable.

Except for the above no other financial assets that are fully performing have been renegotiated in the last year.

Fair value of the other financial assets approximates the carrying value at year end.

Financial assets at amortised cost

Financial assets at amortised cost past due but not impaired

Other non-current assets which are less than 3 months past due are not considered to be impaired. None of the other financial assets were past due but not impaired.

Financial assets at amortised cost impaired

As of 30 June 2025, other non-current assets of R9,971,808 (2024: R9,912,209) were impaired and provided for, for the controlling entity, and R9,971,808 (2024: R9,912,209) for the economic entity.

The amount of the provision was R9,971,808 as of 30 June 2025 (2024: R9,912,209) for the controlling entity, and R9,971,808 (2024: R9,912,209) for the economic entity.

The ageing of these loans is as follows.

Over 6 months	9 971 808	9 912 209	9 971 808	9 912 209
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Reconciliation of provision for impairment of financial assets at amortised cost

Housing and erven selling scheme

Opening balance	9 912 209	9 874 415	9 912 209	9 874 415
Provision for impairment	59 599	37 794	59 599	37 794
	9 971 808	9 912 209	9 971 808	9 912 209

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The municipality does not hold any collateral as security.

Financial assets pledged as security

None of the non-current receivables were pledged as security for any financial liability.

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	2025	2024	2025	2024

18. Living resources

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	5 500 265	(1 850 265)	3 650 000	5 044 765	(1 850 265)	3 194 500

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	5 500 265	(1 850 265)	3 650 000	5 044 765	(1 850 265)	3 194 500

Reconciliation of living resources - Economic entity - 2025

	Opening balance	Decrease due to death	Increase through non-exchange functions	Revaluation increase recognised in net assets	Depreciation	Total
Zoo animals	3 194 500	(194 973)	570 500	269 978	(190 005)	3 650 000

Reconciliation of living resources - Economic entity - 2024

	Opening balance	Decrease due to death	Increase through non-exchange functions	Revaluation increase recognised in net assets	Depreciation	Total
Zoo animals	3 171 000	(1 250 482)	630 600	868 175	(224 793)	3 194 500

Reconciliation of living resources - Controlling entity - 2025

	Opening balance	Decrease due to death	Increase through non-exchange functions	Revaluation increase recognised in net assets	Depreciation	Total
Zoo animals	3 194 500	(194 973)	570 500	269 978	(190 005)	3 650 000

Reconciliation of living resources - Controlling entity - 2024

	Opening balance	Decrease due to death	Increase through non-exchange functions	Revaluation increase recognised in net assets	Depreciation	Total
Zoo animals	3 171 000	(1 250 482)	630 600	868 175	(224 793)	3 194 500

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

18. Living resources (continued)

Revaluations

Zoo animals

The effective date of the revaluation was 30 June 2025. The revaluations were performed by Beryl Wilson (Zoologist & Conservation Biologist), an independent professionally qualified valuer, who holds a recognised professional qualification and has recent experience in valuations of zoo animals.

Currently the day-to-day costs of living resources are accounted for as operating costs as it is not capital of nature.

No research costs relating to living resources occurred.

None of the living resource assets are held for less than 12 months.

Currently the municipality is not acting as a custodian for any living resources.

The average value of an animal in a family group was used and the following significant assumptions were applied by the expert, as per the valuation report obtained:

- Market availability
- Current market trends
- Conservation status
- Educational and popularity value to the public
- Husbandry costs
- Health management and disease risks
- Physical condition
- Age and gender
- Reproductive status

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
19. Deferred tax				
Deferred tax liability				
Opening balance	(1 311 285 052)	(1 333 331 491)	-	-
Property, plant and equipment	(1 272 429 587)	22 625 035	-	-
Taxable temporary differences	980 503	(578 596)	-	-
Total deferred tax liability	(2 582 734 136)	(1 311 285 052)	-	-
Deferred tax asset				
Opening balance	1 534 418 783	1 414 854 171	-	-
Taxable temporary differences	20 879 353	19 011 699	-	-
Tax losses available for set off against future taxable income	1 412 340 445	100 552 913	-	-
Total deferred tax asset	2 967 638 581	1 534 418 783	-	-
Deferred tax liability	(2 582 734 136)	(1 311 285 052)	-	-
Deferred tax asset	2 967 638 581	1 534 418 783	-	-
Total net deferred tax asset	384 904 445	223 133 731	-	-
Reconciliation of deferred tax asset \ (liability)				
At beginning of year	223 133 731	81 522 680	-	-
Depreciable assets	(1 272 429 587)	22 625 035	-	-
Finance lease	(826 915)	150 793	-	-
Provisions	22 686 771	18 282 309	-	-
Assessed loss	1 412 340 445	100 552 914	-	-
	384 904 445	223 133 731	-	-

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable surpluses in excess of the surpluses arising from the reversal of existing taxable temporary differences; and
- the economic entity has suffered a deficit in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

The deferred tax asset arose as a result of the municipal entity not having been subject to income tax in the past. However in the 2014/15 financial year the municipal entity had to account for income tax which resulted in the wear and tear allowances being in excess of the available surplus. The municipal entity has the ability to generate profit in the foreseeable future against which temporary differences will be utilised.

Deferred tax assumptions

As at 30 June 2016 no guidance was received from SARS on the transition from a tax exempt entity to a taxable entity. Due to this, uncertainties in the calculation of the municipal entity's taxation exist and will continue to exist going forward until a pronouncement is made by SARS on the municipal entity's tax calculation. In the absence of a pronouncement from SARS and the fact that the municipal entity is no longer tax exempt, the municipal entity had to make certain key assumptions relating to income- and deferred tax to be able to account for tax. These assumptions are set out as follows:

Infrastructure assets

The base cost for the electrical infrastructure assets of the municipal entity was determined by using the audited infrastructure fixed asset register. The tax exemption for the municipal entity was no longer applicable as at the 1 July 2014, on this date the municipal entity embarked on an exercise to determine the base cost for each of the Infrastructure assets. The closing balance for the 2013/2014 financial year was deemed as the most accurate value to be used as the base cost and carrying values for tax purposes moving forward. Up until 1 July 2014 management had never claimed any wear & tear on infrastructure assets. The base cost was therefore the deemed cost as at 1 July 2014.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

19. Deferred tax (continued)

Infrastructure assets of the municipal entity are all carried on the revaluation model as per General Recognised Accounting Standards 17 - Property plant and equipment. There is no General Recognised Accounting Standards standard applicable to taxation, therefore the municipal entity referred to the international accounting standards (IAS) for further guidance, which is IAS 12: Income taxation. Through inspection of the income tax act and the practice notes it was noted that there was no clear guidance regarding the write off periods for electrical infrastructure assets. Due to this Section 12D of the income tax action was deemed as the best alternative to use to determine the write off periods for most of the electrical infrastructure assets. Section 12D was applied to the following electrical infrastructure assets: High Voltage conductors, Medium Voltage conductors, Low Voltage conductors and the Streetlights. All other categories of infrastructure assets could operate independent of transmission lines and Section 12D would not be applicable to these assets.

As per the Income Tax Act, 1962 (Act 58 of 1962) the kind of information that could be useful in determining the expected useful life of an asset/write off period include:

- Independent engineering information;
- The taxpayer's own past experience with similar assets.

Based on the above and due to insufficient guidance in the Income Tax Act, 1962 (Act 58 of 1962) the option of best professional judgment in determining an accurate write off period for the Infrastructure assets was used as follows:

- For all the distribution lines and cables a 5% write off period was used
- For all other infrastructure assets a 5 year write off period was adopted as the assets have been in operation for some time and as per the engineering information they cannot fall within Section 12D of the Income Tax Act, 1962 (Act 58 of 1962).

Section 12 of the Income Tax Act, 1962 (Act 58 of 1962) was applied therefore no apportionment of the wear and tear was done. The wear and tear of assets is the amount that the South African Receiver of Revenue considers an appropriate write off timeframe for each asset.

The wear and tear was calculated as follows:

- The depreciated replacement cost was taken per asset and any addition for the year was added and this value was multiplied by 20%
- When an asset is disposed of during the financial year wear and tear is still calculated for that asset and an inspection for a possible recoupment is done.

Non-Infrastructure assets

All assets other than infrastructure assets were written off by making use of Practice note 19.

Debt impairment

The provision for debt impairment is limited as a tax deduction to the extent that the originating revenue was taxable. Since the municipal entity was tax exempt for a period the revenue recognised and subsequently impaired during this period could not fully be included as a tax deduction. Due to this only the movement in the debt impairment for the year when the municipal entity first became taxable was used in calculating the tax.

Mangaung Metropolitan Municipality Group

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
20. Payables from exchange transactions				
Accrued bonus	52 442 450	49 575 248	38 563 040	36 791 359
Accrued leave pay	334 306 939	311 408 396	295 525 365	275 419 611
Bulk water purchases	642 048 753	921 667 119	642 048 753	921 667 119
Debt collection services	16 202 472	-	16 202 472	-
Deferred revenue	21 723 900	21 153 125	-	-
Electricity connections	17 616 509	15 015 231	-	-
Mantsopa Local Municipality	166 870	166 870	-	-
Operating expense accrual	8 385 020	6 934 687	-	-
Other payables - Salary related	8 736 382	28 237 924	2 886 197	14 238 358
Retentions	120 118 359	117 912 333	116 402 333	110 201 903
Trade payables	2 168 511 001	1 382 367 245	492 031 279	403 214 583
Unallocated consumer and vendor payments received in advance	40 678 480	35 991 684	-	-
	3 430 937 135	2 890 429 862	1 603 659 439	1 761 532 933

The municipality defaulted on the payment of suppliers within 30 days. The average term of payment of suppliers for the year was 168 days (2024: 207 days) for the controlling entity, and 165 days (2024: 153 days) for the economic entity.

Prior period errors

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

21. Payables from non-exchange transactions

Deposits	916 057	948 631	916 057	948 631
Other	1 932 503	1 797 848	1 932 503	1 797 848
Payments received in advance	127 696 069	159 221 652	127 696 069	159 221 652
Unallocated receipts - Lawyers	481 813	450 892	481 813	450 892
	131 026 442	162 419 023	131 026 442	162 419 023

Prior period errors

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

22. Consumer deposits

Electricity deposits	156 759 255	158 707 177	-	-
Water deposits	34 145 032	33 698 339	34 145 032	33 698 339
	190 904 287	192 405 516	34 145 032	33 698 339

Guarantees in lieu of consumer deposits (water) amounted to R3,358,579 (2024: R3,164,673). Guarantees in lieu of vendor deposits (electricity) amounted to R31,038,000 (2024: R11,018,000). Guarantees in lieu of consumer deposits (electricity) amounted to R45,091,801 (2024: R44,907,971).

Consumer deposits are paid by consumers on application for new water and/or electricity connections. The deposits are repaid when the connections are terminated. In cases where consumers default on their accounts, the council can utilise the deposit as payment for the outstanding account. No interest is paid on consumer deposits held.

Prior period error:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
23. Unspent conditional grants and receipts				
Unspent conditional grants and receipts comprises of:				
Department of Sports, Arts and Culture - Admin Libraries Grant	4 514 418	3 492 857	4 514 418	3 492 857
Finance Management Grant	260 700	-	260 700	-
Human Settlements Provincial Grant	22 430 246	22 814 789	22 430 246	22 814 789
Informal Settlements Upgrading Partnership Grant	49 010 871	43 529 819	49 010 871	43 529 819
Local Government Sector Education and Training Authority Grant	14 472 641	12 312 473	14 472 641	12 312 473
Municipal Disaster Relief Grant	-	11 993 451	-	11 993 451
Municipal Human Settlements Capacity Grant	2 000 000	2 000 000	2 000 000	2 000 000
Programme and Project Preparation Support Grant	5 673 253	-	5 673 253	-
Public Transport Network Grant	93 367 955	91 908 038	93 367 955	91 908 038
Urban Settlements Development Grant	-	5 543 101	-	5 543 101
	191 730 084	193 594 528	191 730 084	193 594 528
Movement during the year				
Balance at the beginning of the year	193 594 528	368 393 282	193 594 528	368 393 282
Surrendered to National Treasury	(140 980 958)	(296 655 460)	(140 980 958)	(296 655 460)
Current year receipts	927 642 532	870 092 523	927 642 532	870 092 523
Conditions met - transferred to revenue	(788 526 018)	(748 235 817)	(788 526 018)	(748 235 817)
	191 730 084	193 594 528	191 730 084	193 594 528
See note 45 for reconciliation of grants from National and Provincial Government.				
24. Borrowings				
At amortised cost				
ABSA Nr: 23135 - redeemable on 30 Oc 2026	110 151 339	174 979 499	110 151 339	174 979 499
DBSA Nr: 103433/01 - redeemable on 29 Jan 2027	32 474 909	49 862 520	32 474 909	49 862 520
DBSA Nr: 103433/02 - redeemable on 29 Jan 2027	7 947 878	12 543 521	7 947 878	12 543 521
DBSA Nr: 61007294 - redeemed on 30 June 2025	-	46 112 907	-	46 112 907
Standard Bank Nr: 041303636 - redeemed on 30 Dec 2024	-	23 324 618	-	23 324 618
ESKOM Debt relief in terms of MFMA Circular no. 124	-	128 940 293	-	-
Total other financial liabilities	150 574 126	435 763 358	150 574 126	306 823 065
These loans are from ABSA, The Development Bank of South Africa and Standard Bank of South Africa Limited. Repayments are made either monthly or on a six-monthly basis. The final loan will be redeemed on 29 January 2027 and the loans bear interest between 6% and 14%.				
Non-current liabilities				
At amortised cost	54 304 749	279 516 756	54 304 749	150 576 463
Current liabilities				
At amortised cost	96 269 377	156 246 602	96 269 377	156 246 602

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity		
	2025	2024	2025	2024	
25. Provisions					
Rehabilitation of landfill sites	400 211 354	426 010 751	400 211 354	426 010 751	
Rehabilitation of quarry sites	640 594 780	660 447 115	640 594 780	660 447 115	
	1 040 806 134	1 086 457 866	1 040 806 134	1 086 457 866	
Reconciliation of provisions - Economic entity - 2025					
	Opening Balance	Unwinding	Change in provision	Remeasurement of provision	Total
Rehabilitation of landfill sites	426 010 751	44 603 325	(69 991 232)	(411 490)	400 211 354
Rehabilitation of quarry sites	660 447 115	69 148 813	(38 895 277)	(50 105 871)	640 594 780
	1 086 457 866	113 752 138	(108 886 509)	(50 517 361)	1 040 806 134
Reconciliation of provisions - Economic entity - 2024					
	Opening Balance	Unwinding	Change in provision	Remeasurement of provision	Total
Rehabilitation of landfill sites	242 605 001	25 546 308	157 859 442	-	426 010 751
Rehabilitation of quarry sites	566 156 795	59 616 311	135 034 686	(100 360 677)	660 447 115
	808 761 796	85 162 619	292 894 128	(100 360 677)	1 086 457 866
Reconciliation of provisions - Controlling entity - 2025					
	Opening Balance	Unwinding	Change in provisions	Remeasurement of provision	Total
Rehabilitation of landfill sites	426 010 751	44 603 325	(69 991 232)	(411 490)	400 211 354
Rehabilitation of quarry sites	660 447 115	69 148 813	(38 895 277)	(50 105 871)	640 594 780
	1 086 457 866	113 752 138	(108 886 509)	(50 517 361)	1 040 806 134
Reconciliation of provisions - Controlling entity - 2024					
	Opening Balance	Unwinding	Change in provision	Remeasurement of provision	Total
Rehabilitation of landfill sites	242 605 001	25 546 308	157 859 442	-	426 010 751
Rehabilitation of quarry sites	566 156 795	59 616 311	135 034 686	(100 360 677)	660 447 115
	808 761 796	85 162 619	292 894 128	(100 360 677)	1 086 457 866
Non-current liabilities	884 508 730	933 855 705	884 508 730	933 855 705	
Current liabilities	156 297 404	152 602 161	156 297 404	152 602 161	
	1 040 806 134	1 086 457 866	1 040 806 134	1 086 457 866	

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Consolidated Annual Financial Statements for the year ended 30 June 2025

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

25. Provisions (continued)

Rehabilitation of landfill sites

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites to a condition whereby it complies to the permit requirements issued in terms of the Mineral and Petroleum Resources Act, (Act 28 of 2002).

Management has included the best estimate amount as the actual amount is uncertain. The payment of total closure and rehabilitation dates are uncertain.

The provision was determined by an independent expert for the rehabilitation cost in 2025 and then approximated the expected future cash flows using reasonable estimation techniques.

Landfill sites consist of:	Restoration date:
Botshabelo Landfill Site	2115
Northern Landfill Site	2025
Southern Landfill Site	2034
Van Stadensrus Landfill Site	2035
Wepener Landfill Site	2032
Dewetsdorp Landfill Site	2028
Soutpan/Ikgomotseng Landfill Site	2032

The final restoration of landfill sites is expected to be in the year listed above, being the estimated useful lives of landfill sites. The certainty and the timing of the outflow of these liabilities are uncertain and the amounts disclosed are the possible outflow amounts.

Rehabilitation of quarry sites

The provision for rehabilitation of quarry sites relates to the legal obligation to rehabilitate quarry sites to a condition whereby it complies to the permit requirements issued in terms of the Mineral and Petroleum Resources Development Act, (Act 28 of 2002).

The provision was determined by an independent expert for the rehabilitation cost in 2025 and then approximated the expected future cash flows using reasonable estimation techniques.

Quarries consist of:	Restoration date:	Quarries consist of:	Restoration date:
Bloemfontein		Thaba Nchu	
Cecelia	2028	Seroala	2028
Sunnyside	2028	Thubisi	2028
Kgotsoong	2028	Potsane	2028
Ipopeng	2028	Merino	2028
Chris Hani	2028	Rakhoi	2028
Caleb Motsobi	2028	Sediba	2028
N1	2028	Rooibult	2028
Botshabelo		Kgalala	2028
K-Section	2028	Baraclava 1	2028
F1-Section	2028	Baraclava	2028
F2.1-Section	2028	Bultfontein 3	2028
F2.2-Section	2028	Modutung	2028
W-Section	2028	Talla	2028
S-Section	2028	Nogas Post	2028
B-Section	2028	Motlatla	2028

The final restoration of quarry sites is expected to be in the years listed above, being the estimated useful lives of quarry sites. The certainty and the timing of the outflow of these liabilities are uncertain and the amounts disclosed are the possible outflow amounts.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

25. Provisions (continued)

Discount rate assumptions

The key assumptions used in the valuation, with prior year's assumptions shown for comparison, are summarised as follows:

Inflation rate	3.00%	5.10%	3.00%	5.10%
Risk-free rate	10.38%	10.53%	10.38%	10.53%

The inflation rate was derived from the yearly inflation rate of the relevant financial year.

The weighted-average cost of debt of the municipality was determined to be the most appropriate discount rate as it represents the risk of the liability.

26. Employee benefit obligations

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

Carrying value

Present value of the Long Service Award benefit	158 953 000	137 157 000	113 097 000	107 477 000
Present value of the Pension Fund benefit	1 375 000	1 499 000	1 375 000	1 499 000
Present value of the Post-Employment Medical Aid benefit	646 662 000	597 934 000	528 407 000	493 715 000
	806 990 000	736 590 000	642 879 000	602 691 000
Non-current liabilities	762 641 000	674 507 000	603 544 000	563 310 000
Current liabilities	44 349 000	62 083 000	39 335 000	39 381 000
	806 990 000	736 590 000	642 879 000	602 691 000

Defined benefit plan

The defined benefit liability as disclosed below is represented by three different post-employment benefits. None of the benefits set out below are externally funded.

Post-retirement medical aid plan

Active members receive a fixed subsidy of 60% of medical aid contributions during the current working year, up to a specified maximum employer contribution. The spouse or adult dependant of an active member is entitled to a 60% subsidy of their contributions. This proportion of the subsidy will continue to be paid in the event of the principal member's death.

Continuation members receive a fixed subsidy of 60% of medical aid contributions during the current working year, up to a specified maximum employer contribution. The spouse or adult dependant of a continuation member is entitled to a 60% subsidy of their contributions.

Pension benefits

Pension gratuities are payable to retired employees and pensioners who were in service of the council on or before 1 October 1981, who did not qualify to be members of the Free State Joint Municipal Pension Fund or Free State Local Government Pension Fund, or who were not members of a pension fund by this date, with 20 years of uninterrupted service and a minimum retirement age of 60 years have been obtained.

Long service awards

Long service awards are payable to qualifying in-service employees. The leave benefits are in accordance with paragraph 11 of the South African Local Government Bargaining Council (SALGBC) collective agreement on conditions of service for the Free State division of SALGBC.

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

26. Employee benefit obligations (continued)

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

Opening balance	736 590 000	679 356 600	602 691 000	561 011 600
Interest cost	89 195 000	81 654 800	71 241 000	66 088 800
Current service cost	34 330 000	32 714 000	24 088 000	24 090 000
Benefits paid	(42 276 111)	(40 760 778)	(38 984 102)	(37 377 000)
Remeasurements of the net defined benefit liability	(10 848 889)	(16 374 622)	(16 156 898)	(11 122 400)
	806 990 000	736 590 000	642 879 000	602 691 000

Net expense recognised in the statement of financial performance

Interest cost	89 195 000	81 654 800	71 241 000	66 088 800
Current service cost	34 330 000	32 714 000	24 088 000	24 090 000
Remeasurements of the net defined benefit liability	(10 848 889)	(16 374 622)	(16 156 898)	(11 122 400)
	112 676 111	97 994 178	79 172 102	79 056 400

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
26. Employee benefit obligations (continued)				
Changes in present value of the defined benefit obligations				
Economic entity - 2025	Pension fund	Medical aid	Long service award	Total
Opening balance	1 499 000	597 934 000	137 157 000	736 590 000
Interest cost	146 000	75 248 000	13 801 000	89 195 000
Current service cost	-	24 112 000	10 218 000	34 330 000
Benefits paid	(285 102)	(21 777 413)	(20 213 596)	(42 276 111)
Remeasurements of the net defined benefit liability	15 102	(28 854 587)	17 990 596	(10 848 889)
	1 375 000	646 662 000	158 953 000	806 990 000
Economic entity - 2024	Pension fund	Medical aid	Long service award	Total
Opening balance	1 677 600	545 412 000	132 267 000	679 356 600
Interest cost	156 800	67 787 000	13 711 000	81 654 800
Current service cost	-	22 769 000	9 945 000	32 714 000
Benefits paid	(280 000)	(20 445 751)	(20 035 027)	(40 760 778)
Remeasurements of the net defined benefit liability	(55 400)	(17 588 249)	1 269 027	(16 374 622)
	1 499 000	597 934 000	137 157 000	736 590 000
Controlling entity - 2025	Pension fund	Medical aid	Long service award	Total
Opening balance	1 499 000	493 715 000	107 477 000	602 691 000
Interest cost	146 000	60 396 000	10 699 000	71 241 000
Current service cost	-	16 887 000	7 201 000	24 088 000
Benefits paid	(285 102)	(20 466 000)	(18 233 000)	(38 984 102)
Remeasurements of the net defined benefit liability	15 102	(22 125 000)	5 953 000	(16 156 898)
	1 375 000	528 407 000	113 097 000	642 879 000
Controlling entity - 2024	Pension fund	Medical aid	Long service award	Total
Opening balance	1 677 600	454 699 000	104 635 000	561 011 600
Interest cost	156 800	55 742 000	10 190 000	66 088 800
Current service cost	-	16 779 000	7 311 000	24 090 000
Benefits paid	(280 000)	(19 462 000)	(17 635 000)	(37 377 000)
Remeasurements of the net defined benefit liability	(55 400)	(14 043 000)	2 976 000	(11 122 400)
	1 499 000	493 715 000	107 477 000	602 691 000

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
26. Employee benefit obligations (continued)				
Key assumptions used				
The following key assumptions were used at the reporting date:				
Discount rate - Pension Fund (Mangaung)	8,69 %	9,71 %	8,69 %	9,71 %
Discount rate - Medical Aid (Mangaung)	12,41 %	13,67 %	12,41 %	13,67 %
Discount rate - Medical Aid (Centlec)	13,04 %	13,86 %	-	-
Discount rate - Long Service Award (Mangaung)	8,95 %	10,65 %	8,95 %	10,65 %
Discount rate - Long Service Award (Centlec)	9,56 %	10,84 %	-	-
Health care cost inflation rate (Mangaung)	8,35 %	9,58 %	8,35 %	9,58 %
Health care cost inflation rate (Centlec)	7,81 %	8,64 %	-	-
Maximum subsidy inflation rate (Mangaung)	4,42 %	5,62 %	4,42 %	5,62 %
General earnings inflation rate (Mangaung)	4,89 %	6,50 %	4,89 %	6,50 %
General earnings inflation rate (Centlec)	5,31 %	6,60 %	-	-
Pension fund inflation rate (Mangaung)	3,76 %	4,69 %	3,76 %	4,69 %
Expected retirement age (years) (Mangaung)	62 years	62 years	62 years	62 years
Expected retirement age (years) (Centlec)	63 years	63 years	-	-

Pension fund assumptions

Pension fund discount rate:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 8.69% (2024: 9.71%) per annum has been used. The corresponding index-linked yield at this term is 4.76%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2025.

Pension fund inflation rate:

This assumption is required to reflect estimated future changes to pensions. The expected CPI inflation assumption of 3.76% (2024:4.79%) was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (4.76%) and those of fixed interest bonds (8.69%).

This was therefore determined as follows: $((1+8.69\%) / (1+4.76\%)) - 1$.

Therefore, a pension inflation rate of 3.76% has been assumed i.e. 100% of expected CPI inflation. This implies a net discount rate of 4.76%, which derives from $((1+8.69\%) / (1+3.76\%)) - 1$.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

26. Employee benefit obligations (continued)

Medical aid assumptions

Medical aid discount rate (Mangaung):

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 12.41% (2024: 13.67%) per annum has been used. The corresponding index-linked yield at this term is 5.20%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2025.

Medical aid discount rate (Centlec):

The nominal and real zero curves as at 28 June 2025 supplied by the JSE was used to determine our discount rates and CPI assumptions at each relevant time period. For example, a liability which pays out in 1 year will be discounted at a different rate than a liability which pays out in 30 years.

Although the yield curve was used for the discount rates and the corresponding inflation rates, for indicative purposes we show the discount rate and CPI that corresponds to the implied duration of the liability. The implied duration of the liability for this valuation is 19,05 years. It is however important to note that this is solely for indicative purposes as the entire yield curve is used to obtain the financial variables.

Health care cost inflation rate (Mangaung):

This assumption is required to reflect estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs (for example, due to technological advances or changes in utilisation patterns). Any assumption regarding future medical scheme contribution increases is therefore subjective.

A health care cost inflation rate of 8.35% (2024: 9.58%) has been assumed. This is 1.50% in excess of expected CPI inflation over the expected term of the liability, namely 6.85%. A larger differential would be unsustainable, eventually forcing members to less expensive options. This implies a net discount rate of 3.74% which derives from $((1+12.41\%) / (1+8.35\%)) - 1$.

The inflation assumption of 6.85% (2024: 8.08%) was obtained from the differential between market yields on index-linked bonds consistent with the estimated term of the liabilities (5.20%) and those of fixed interest bonds (12.41%). This was determined as follows: $((1+12.38\%) / (1+5.20\%)) - 1$.

Health care cost inflation rate (Centlec):

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. These increases are not considered to be sustainable and have assumed that medical aid contribution increases would out-strip general inflation by 2.5 % per annum over the foreseeable future.

Maximum subsidy inflation rate:

This assumption is required to reflect estimated future changes in the maximum amount to which subsidies are limited. This maximum amount is set at R5,971.15 per family per month for the year ending 30 June 2025. The annual increases to this maximum amount are periodically specified by the local government bargaining council.

Recent past annual increases balanced with sustainability needs of employees have resulted in this assumption being set at 75% of salary inflation. The future salary inflation assumption of 4.89%, was set to be 1.00% above expected CPI inflation. Thus, a maximum subsidy inflation assumption of 4.42% per annum was used.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

26. Employee benefit obligations (continued)

Long service award assumptions

Discount rate (Mangaung):

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

Consequently, a discount rate of 8.95% (2024: 10.65%) per annum has been used. The corresponding liability-weighted index-linked yield is 4.87%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2025.

Discount rate (Centlec):

The net effective discount rate is different for each relevant time period of the yield curves' various durations and therefore the net effective discount rate is based on the relationship between the (yield curve based) discount rate for each relevant time period and the (yield curve based) salary Inflation for each relevant time period.

Although the yield curve was used as discount rates and corresponding inflation rates, for indicative purposes below illustrates the discount rate and CPI that corresponds to the implied duration of the liability. The implied duration of the liability for this valuation is 6,66 years. It is however important to note that this is solely for indicative purposes as the entire yield curve is used to obtain the financial variables.

General earnings inflation rate (Mangaung):

This assumption is more stable relative to the growth in Consumer Price Index (CPI) than in absolute terms. In most industries, experience has shown, that over the long-term, earnings inflation is between 1.0% and 1.5% above CPI inflation.

The underlying future rate of consumer price index inflation (CPI inflation) was derived from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. The assumed rate of salary inflation was set as the assumed value of CPI plus 1%.

The CPI inflation at the implied duration is 3.89%. This was determined as $((1+8.95\%) / (1+4.87\%)) - 1$. The normal salary inflation rate 4.89% (2024: 6.5%) is then 1% higher than the estimate of CPI over the same term.

General earnings inflation rate (Centlec):

The underlying future rate of consumer price index inflation (CPI inflation) was derived from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. The assumed rate of salary inflation was set as the assumed value of CPI plus 1%. The salaries used in the valuation include an assumed increase on 01 July 2025 of 5.1%. The next salary increase was assumed to take place on 01 July 2026.

Other assumptions

The effect of one percentage point increase/decrease in the rates of the main assumptions is as follows for the 2025 financial year:

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
26. Employee benefit obligations (continued)				
	1 % point increase	1 % point decrease	1 % point increase	1 % point decrease
Unfunded Accrued Liability (Pension fund inflation rate) (Mangaung)	1 428 000	1 325 000	1 428 000	1 325 000
Aggregate of current service and interest costs (Pension fund inflation rate) (Mangaung)	124 000	115 000	124 000	115 000
Unfunded Accrued Liability (Pension fund discount rate) (Mangaung)	1 328 000	1 426 000	1 328 000	1 426 000
Aggregate of current service and interest costs (Pension fund discount rate) (Mangaung)	129 000	110 000	129 000	110 000
Unfunded Accrued Liability (Health care cost inflation rate) (Mangaung)	561 727 000	488 648 000	561 727 000	488 648 000
Unfunded Accrued Liability (Health care cost inflation rate) (Centlec)	125 240 000	107 937 000	-	-
Aggregate of current service and interest costs (Health care cost inflation rate) (Mangaung)	87 411 000	75 157 000	87 411 000	75 157 000
Aggregate of current service and interest costs (Health care cost inflation rate) (Centlec)	25 426 000	21 649 000	-	-
Unfunded Accrued Liability (Medical aid discount rate) (Mangaung)	471 390 000	597 256 000	471 390 000	597 256 000
Unfunded Accrued Liability (Medical aid discount rate) (Centlec)	101 516 000	139 163 000	-	-
Aggregate of current service and interest costs (Medical aid discount rate) (Mangaung)	76 838 000	87 742 000	76 838 000	87 742 000
Aggregate of current service and interest costs (Medical aid discount rate) (Centlec)	21 330 000	27 093 000	-	-
Unfunded Accrued Liability (General earnings inflation rate) (Mangaung)	118 813 000	107 789 000	118 813 000	107 789 000
Unfunded Accrued Liability (General earnings inflation rate) (Centlec)	48 837 000	43 143 000	-	-
Aggregate of current service and interest costs (General earnings inflation rate) (Mangaung)	17 763 000	15 996 000	17 763 000	15 996 000
Aggregate of current service and interest costs (General earnings inflation rate) (Centlec)	9 246 000	8 145 000	-	-
Unfunded Accrued Liability (Long service award discount rate) (Mangaung)	108 034 000	118 632 000	108 034 000	118 632 000
Unfunded Accrued Liability (Long service award discount rate) (Centlec)	43 268 000	48 740 000	-	-
Aggregate of current service and interest costs (Long service award discount rate) (Mangaung)	17 058 000	16 603 000	17 058 000	16 603 000
Aggregate of current service and interest costs (Long service award discount rate) (Centlec)	8 595 000	8 798 000	-	-
	1 845 501 000	1 915 467 000	1 462 043 000	1 510 799 000

Amounts for the current and previous four years are as follows:

	2025	2024	2023	2022	2021
Economic entity	806 990 000	736 590 000	679 356 600	613 509 000	608 645 001
Controlling entity	642 879 000	602 691 000	561 011 600	585 833 000	582 996 000

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
27. Finance lease obligation				
Minimum lease payments due				
- within one year	2 857 080	-	-	-
- in second to fifth year inclusive	3 095 170	-	-	-
	<u>5 952 250</u>	<u>-</u>	<u>-</u>	<u>-</u>
less: future finance charges	(695 230)	-	-	-
Present value of minimum lease payments	5 257 020	-	-	-
	<u>5 257 020</u>	<u>-</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments due				
- within one year	2 364 005	-	-	-
- in second to fifth year inclusive	2 893 015	-	-	-
	<u>5 257 020</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current liabilities	2 893 015	-	-	-
Current liabilities	2 364 005	-	-	-
	<u>5 257 020</u>	<u>-</u>	<u>-</u>	<u>-</u>

It is economic entity policy to lease certain photo copier machines under finance leases. The average lease term is 3 years and the average effective borrowing rate was 11.75%. Initial lease payments varied between R2 414 and R7 472 per month and are subject to prime lending rates.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Defaults and breaches

No default of the principal, interest or redemption terms of finance lease obligations occurred during the financial year.

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

28. FRESHCO

FRESHCO (Free State Social Housing Company)	107 136 548	121 264 444	107 136 548	121 264 444
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The municipality has entered into an agreement with the Free State Social Housing Company (FRESHCO), a section 21 company, to implement and pursue a programme of Social Housing suitable for low to medium income households.

The agreement commenced on 1 February 2010 and shall be terminated on 31 January 2033 unless both parties agree to extend the agreement period. The entity charges FRESHCO a nominal rental amount on a monthly basis which escalates by 5% annually. The rental amount is included in note 40.

In terms of the agreement, FRESHCO will refurbish and maintain 351 existing municipal flats and build 592 additional flats in the suburb called Brandwag. This will remain the property of the entity. The entity will provide municipal infrastructure where these are not currently in existence.

FRESHCO will utilise a portion of the rental income earned from renting out these properties to maintain and refurbish these flats.

The amount is recognised as revenue over the period of the agreement upon completion of the assets.

Council has approved the winding up of the Free State Social Housing Company (FRESHCO) on 4 July 2024 and approved the following:

- The Social Housing Regulatory Authority (SHRA) to find an alternative funding arrangement to fund the strategy.
- The Brandwag social housing land be released on a 30 year lease to the new accredited social housing institution, to confer undisturbed use and enjoyment of the property let and to avoid sacrificing higher annuity income in the future and losing the long-term assets in perpetuity.
- Decanting of occupants of the Brandwag social housing project, endorse the mass eviction of all not paying tenants and illegal occupants of the project and remove all illegal connections post the evictions.

In December 2019, CALGRO as the developer of the Brandwag Social Housing units applied for the liquidation of FRESHCO for non-payment of the work done. The application was heard at the Bloemfontein High Court and an interim liquidation order was granted against FRESHCO.

FRESHCO is currently under administration, and the Social Housing Regulatory Authority has appointed ALCARI Consulting to manage and administer the affairs of FRESHCO till a new section 21 company is appointed to take over from FRESHCO.

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

29. Land availability

Hillside view	220 049 006	235 886 474	220 049 006	235 886 474
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The entity has entered into agreements with developers to implement and pursue a programme of land development which will provide infrastructure and housing suitable for low to medium income households.

Hillside view:

The agreement commenced on 10 July 2014 and shall be terminated on 31 October 2032, unless both parties agree to extend the agreement period. In terms of the agreement, the developer will develop 762 erven in Mangaung Extension 34, and 1580 erven in Mangaung Extension 35. This development will be known as the Hillside View.

The land shall remain the property of the entity throughout the development. Upon completion of development, the entity shall retain 30% of the single residential erven within the development, as well as the infrastructure services. The developer shall be entitled to sell the remaining developed and serviced erven to third parties, and will retain the proceeds of these sales as compensation for the developed assets retained by the entity.

The developer shall contribute to the bulk infrastructure installations within the development and shall provide a contribution for the land, upon sale to the third parties.

The revenue from these sales will be recognised upon transfer to the third party, and the related liability shall be derecognised.

The buildings retained by the entity shall be capitalised throughout the development process.

There were no changes in the service concession arrangement that occurred during the current financial year. There were no breaches in contract by either party involved in the service concession arrangement during the current financial year.

Vista Park III:

The agreement commenced on 11 September 2014 and shall be terminated on 31 October 2032, unless both parties agree to extend the agreement period. In terms of the agreement, the developer will develop approximately 6529 erven of various categories in Mangaung Extension 256 to 266. This development will be known as the Vista Park III.

The land shall remain the property of the entity throughout the development. Upon completion of development, the entity shall retain 30% of the single residential erven within the development, as well as the infrastructure services. The developer shall be entitled to sell the remaining developed and serviced erven to third parties, and will retain the proceeds of these sales as compensation for the developed assets retained by the entity.

The developer shall contribute to the bulk infrastructure installations within the development and shall provide a contribution for the land, upon sale to the third parties.

The revenue from these sales will be recognised upon transfer to the third party, and the related liability shall be derecognised.

The buildings retained by the municipality shall be capitalised throughout the development process.

Management is in discussions with the developer regarding the updating of the existing contract.

There were no changes in the service concession arrangement that occurred during the current financial year. There were no breaches in contract by either party involved in the service concession arrangement during the current financial year.

As at the end of the current financial year, all costs were incurred by the municipality. The municipality therefore has no liability for the development to date.

30. Revaluation reserve

Opening balance	4 991 470 579	5 005 636 367	867 249 077	875 069 544
Realisation of the reserve	(408 768)	(408 768)	-	-
Disposals	-	(6 210 593)	-	(274 040)
Revaluation of assets	4 882 719 760	4 312 585	69 782	4 312 585
Realisation of revaluation reserve - through depreciation	(11 853 439)	(11 859 012)	(11 853 439)	(11 859 012)
	9 861 928 132	4 991 470 579	855 465 420	867 249 077

There are no restrictions on the distribution of the revaluation reserve.

Mangaung Metropolitan Municipality Group

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
31. Self-insurance reserve				
Opening balance	10 000 000	10 000 000	10 000 000	10 000 000
Contribution received	1 150 672	1 145 719	1 150 672	1 145 719
Insurance claims processed	(1 150 672)	(1 145 719)	(1 150 672)	(1 145 719)
	10 000 000	10 000 000	10 000 000	10 000 000
32. COID reserve				
Opening balance	15 749 079	17 383 704	15 749 079	17 383 704
Insurance claims processed	(2 123 923)	(1 634 625)	(2 123 923)	(1 634 625)
	13 625 156	15 749 079	13 625 156	15 749 079
33. Other NDR				
Non-distributable reserve	60 000 000	60 000 000	-	-
	60 000 000	60 000 000	-	-
In accordance with the terms of the NERSA (National Energy Regulator of South Africa) agreement it was agreed that R60,000,000 (2024: R60,000,000) is to be held as a non-distributable reserve.				
34. Service charges				
Sale of electricity - Conventional	1 930 917 935	1 751 486 966	-	-
Sale of electricity - Prepaid	1 494 461 388	1 347 166 428	-	-
Sale of water - Conventional meters	1 676 495 060	1 382 032 571	1 676 495 060	1 382 032 571
Sale of water - Prepaid meters	65 911 575	71 178 804	65 911 575	71 178 804
Sewerage and sanitation charges	718 049 738	648 835 211	718 049 738	648 835 211
Refuse removal	307 041 938	289 273 684	307 041 938	289 273 684
Other service charges	1 385 933	1 254 711	1 385 933	1 254 711
Revenue foregone	(528 121 179)	(465 896 452)	(528 121 179)	(465 896 452)
	5 666 142 388	5 025 331 923	2 240 763 065	1 926 678 529
Revenue foregone:				
Included in service charges is revenue foregone amounting to R528 121 179 (2024: R465 896 452) which mainly consists of financial relief provided to indigent community members for basic services. These indigent community members are funded by a portion of the equitable share grant received by the municipality. Refer to note 45 for more detail on the equitable share.				
35. Rental of facilities and equipment				
Facilities and equipment				
Rental of facilities	41 161 602	38 459 032	41 161 602	38 459 032
Rental of equipment	2 650 451	1 929 185	2 650 451	1 929 185
	43 812 053	40 388 217	43 812 053	40 388 217
36. Fines, penalties and forfeits				
Illegal connections - electricity	4 362 938	2 606 668	-	-
Impound fees	18 140 420	8 609 491	18 140 420	8 609 491
Other fees	436 529	368 837	436 529	368 837
Retention forfeits	-	282 836	-	282 836
Traffic fines	12 574 600	11 332 130	12 574 600	11 332 130
Unclaimed deposits and stale cheques	639 177	32 394 402	639 177	32 394 402
Unclaimed deposits - prescribed amounts	-	18 738 485	-	18 738 485
Unclaimed money forfeits	22 160 884	22 324 821	13 051 217	21 192 255
	58 314 548	96 657 670	44 841 943	92 918 436
Unclaimed deposits and stale cheques:				
Council approved the write-off of both the unallocated or unclaimed deposits of the suspense accounts that are older than 3 years.				

Mangaung Metropolitan Municipality Group

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
37. Other income from exchange transactions				
Advertising	9 790 574	9 247 651	9 790 574	9 247 651
Building plan fees	5 611 356	5 009 509	5 611 356	5 009 509
Clearance certificates	3 656 848	3 134 615	2 932 692	2 459 526
Credit control fees	3 339 058	3 951 859	-	-
Entrance fees	615 699	473 962	615 699	473 962
Grave plots	3 400 775	3 258 727	3 400 775	3 258 727
Insurance collection	5 505 894	4 491 870	3 773 159	3 611 021
Legal settlements	-	108 461	-	-
New connections	4 174 440	8 439 345	-	-
Parking	2 560 795	1 713 954	2 560 795	1 713 954
Sale of erven	110 488	812 613	110 488	812 613
Sale of tender documents	1 544 712	2 296 969	1 544 712	2 296 969
Sundry income	7 943 154	5 443 229	7 943 154	5 443 229
Training	7 434 409	2 656 398	6 664 360	1 976 378
Transaction handling fees	291 489	273 641	-	-
	55 979 691	51 312 803	44 947 764	36 303 539

Prior period error:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

38. Investment revenue

Dividends received

Unlisted financial assets - Local	9 271	8 036	9 271	8 036
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Interest received from exchange transactions

Centlec (SOC) Limited - Capital advances	-	-	4 839 869	5 610 013
Centlec (SOC) Limited - Intercompany loan	-	-	107 036 195	90 783 581
Centlec (SOC) Limited - Shareholders loan	-	-	179 836 578	176 223 986
Interest charged on consumer and other receivables	643 898 210	574 442 406	604 347 787	536 608 404
Interest earned on cash and cash equivalents	95 781 739	78 738 461	93 833 989	75 806 141
Interest earned on bank investments	3 337 177	647 126	-	-
Interest on Eskom deposit	41 597	44 864	-	-
	743 058 723	653 872 857	989 894 418	885 032 125
	743 067 994	653 880 893	989 903 689	885 040 161

Short-term deposits consists of an ABSA 1 Day call account with varying interest rates between 0.00% and 7.05% depending on the amount invested and the change in the prime interest rate.

39. Agency services

Southern Free State - Services	2 392 013	7 279 311	-	-
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Agency services relates to administration, network-and vending charges rendered to the Southern Free State towns.

40. Service concession arrangements

Revenue from service concession arrangements - Exchange

Land availability liability	15 837 467	15 837 467	15 837 467	15 837 467
Rental income	14 131 854	14 130 121	14 131 854	14 130 121
	29 969 321	29 967 588	29 969 321	29 967 588

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
40. Service concession arrangements (continued)				
Details of service concession arrangements:				
The service concession rental income relates to the revenue recognised (rentals) from the FRESHCO liability. Refer to note 28 for further information.				
The service concession revenue for land availability relates to the revenue recognised from the land availability liability. Refer to note 29 for further information.				
41. Commission received				
Commission - Fresh produce market	31 186 147	30 566 927	31 186 147	30 566 927
42. Transport fees				
Integrated Public Transport Network - IPTN	14 138 795	-	14 138 795	-

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
43. Property rates				
Rates received				
Residential and business/commercial	1 568 383 016	1 495 681 384	1 568 383 016	1 495 681 384
Government	479 816 060	187 234 305	479 816 060	187 234 305
Less: Revenue foregone	(255 844 215)	(234 756 562)	(255 844 215)	(234 756 562)
	1 792 354 861	1 448 159 127	1 792 354 861	1 448 159 127
Valuations				
Residential	86 826 292 360	86 610 948 310	86 826 292 360	86 610 948 310
Commercial	24 543 576 200	23 870 862 310	24 543 576 200	23 870 862 310
Government	12 587 344 540	13 620 775 450	12 587 344 540	13 620 775 450
Municipal	5 602 876 040	5 426 106 470	5 602 876 040	5 426 106 470
	129 560 089 140	129 528 692 540	129 560 089 140	129 528 692 540

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2022. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The first R100,000 of the rateable value of residential property is exempted from taxes, including properties which are zoned for the purpose of town houses and flats, as well as smallholdings and farms used solely for residential and agricultural purposes.

In respect of qualifying senior citizens and disabled persons, an additional R200,000 of the rateable value of their residential properties is exempted from rates subject to the property value not exceeding R2,500,000.

2025:

From 1 July 2024, the basic rates were adjusted as follows (exempt from VAT):

- R0.0106020, multiply by comma two five cent (0.25), per rand on the rateable value of farm property;
- R0.0106020, on the value of rateable residential property;
- R0.0106020, on the value of rateable property under development;
- R0.0360560, on the value of rateable government property;
- R0.0360560, on the value of rateable business property;
- R0.0026510, on the value of rateable public service infrastructure.

2024:

From 1 July 2023, the basic rates were adjusted as follows (exempt from VAT):

- R0.0099740, multiply by comma two five cent (0.25), per rand on the rateable value of farm property;
- R0.0099740, on the value of rateable residential property;
- R0.0099740, on the value of rateable property under development;
- R0.0339190, on the value of rateable government property;
- R0.0339190, on the value of rateable business property;
- R0.0024940, on the value of rateable public service infrastructure.

Revenue foregone:

Included in property rates is revenue foregone consisting of R205,787,426 (2024: R192,199,183) of rebates on property rates provided, while R50,056,789 (2024: R42,557,379) is indigent rebates at 100%. These indigent community members are funded by a portion of the equitable share grant received. Refer to note 45 for more detail on the equitable share.

44. Interest received from non-exchange transactions

Interest charged on consumer and other receivables	206 878 034	172 226 079	206 878 034	172 226 079
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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
45. Government grants & subsidies				
Operating grants				
Equitable share	1 113 937 958	1 037 664 000	1 113 937 958	1 037 664 000
Department of Sports, Arts and Culture - Admin Libraries Grant	2 978 440	5 544 036	2 978 440	5 544 036
Expanded Public Works Programme Integrated Grant	1 839 000	1 263 000	1 839 000	1 263 000
Finance Management Grant	1 739 300	2 200 000	1 739 300	2 200 000
Fuel levy	443 643 000	405 248 000	443 643 000	405 248 000
Local Government Sector Education and Training Authority Grant	1 360 365	741 718	1 360 365	741 718
Municipal Disaster Relief Grant	11 993 451	1 156 549	11 993 451	1 156 549
Neighbourhood Development Partnership Grant	38 267 259	-	38 267 259	-
Programme and Project Preparation Support Grant	4 326 747	7 138 000	4 326 747	7 138 000
Public Transport Network Grant	60 520 657	36 045 997	60 520 657	36 045 997
Urban Settlements Development Grant	55 163 516	137 690 042	55 163 516	137 690 042
	1 735 769 693	1 634 691 342	1 735 769 693	1 634 691 342
Capital grants				
Human Settlements Provincial Grant	384 543	30 931 271	384 543	30 931 271
Informal Settlements Upgrading Partnership Grant	183 933 129	132 002 181	183 933 129	132 002 181
Neighbourhood Development Partnership Grant	1 774 741	16 908 000	1 774 741	16 908 000
Public Transport Network Grant	13 797 388	42 073 965	13 797 388	42 073 965
Urban Settlements Development Grant	410 447 484	334 541 058	410 447 484	334 541 058
	610 337 285	556 456 475	610 337 285	556 456 475
	2 346 106 978	2 191 147 817	2 346 106 978	2 191 147 817
Conditional and Unconditional				
Included in above are the following grants and subsidies received:				
Conditional grants received	788 526 020	748 235 817	788 526 020	748 235 817
Unconditional grants received	1 557 580 958	1 442 912 000	1 557 580 958	1 442 912 000
	2 346 106 978	2 191 147 817	2 346 106 978	2 191 147 817
Equitable Share				
Current-year receipts	1 113 937 958	1 037 664 000	1 113 937 958	1 037 664 000
Conditions met - transferred to revenue	(1 113 937 958)	(1 037 664 000)	(1 113 937 958)	(1 037 664 000)
	-	-	-	-
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.				
Department of Sports, Arts and Culture - Admin Libraries Grant				
Balance unspent at beginning of year	3 492 857	6 036 893	3 492 857	6 036 893
Current-year receipts	4 000 000	3 000 000	4 000 000	3 000 000
Conditions met - transferred to revenue	(2 978 439)	(5 544 036)	(2 978 439)	(5 544 036)
	4 514 418	3 492 857	4 514 418	3 492 857

Conditions still to be met - remain liabilities (see note 23).

The purpose of this grant is to fund the administration of public libraries within the Mangaung Metropolitan area.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
45. Government grants & subsidies (continued)				
Expanded Public Works Programme Integrated Grant				
Balance unspent at beginning of year	-	183 852	-	183 852
Surrendered to National Treasury	-	(183 852)	-	(183 852)
Current-year receipts	1 839 000	1 263 000	1 839 000	1 263 000
Conditions met - transferred to revenue	(1 839 000)	(1 263 000)	(1 839 000)	(1 263 000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The purpose of the grant is to expand work creation efforts through the use of labour incentive delivery methods in identified focus areas, in compliance with Expanded Public Works Programme (EPWP) guidelines.

Finance Management Grant

Balance unspent at beginning of year	-	120 208	-	120 208
Surrendered to National Treasury	-	(120 208)	-	(120 208)
Current-year receipts	2 000 000	2 200 000	2 000 000	2 200 000
Conditions met - transferred to revenue	(1 739 300)	(2 200 000)	(1 739 300)	(2 200 000)
	<u>260 700</u>	<u>-</u>	<u>260 700</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 23).

The purpose of the grant is to promote and support reforms to financial management and the implementation of the MFMA.

Fuel Levy

Current-year receipts	443 643 000	405 248 000	443 643 000	405 248 000
Conditions met - transferred to revenue	(443 643 000)	(405 248 000)	(443 643 000)	(405 248 000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fuel levy is allocated to the entity from the General Fuel Levy Revenue Fund.

Municipal Disaster Relief Grant

Balance unspent at beginning of year	11 993 451	-	11 993 451	-
Current-year receipts	-	13 150 000	-	13 150 000
Conditions met - transferred to revenue	(11 993 451)	(1 156 549)	(11 993 451)	(1 156 549)
	<u>-</u>	<u>11 993 451</u>	<u>-</u>	<u>11 993 451</u>

Conditions still to be met - remain liabilities (see note 23).

The purpose of the grant is to enable timely response to address community needs regarding impending or disastrous events, classified by the National Disaster Management Centre, to provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with paragraph 2(1)(b) of the Disaster Management Act.

Local Government Sector Education and Training Authority Grant

Balance unspent at beginning of year	12 312 473	9 962 668	12 312 473	9 962 668
Current-year receipts	3 520 532	3 091 523	3 520 532	3 091 523
Conditions met - transferred to revenue	(1 360 364)	(741 718)	(1 360 364)	(741 718)
	<u>14 472 641</u>	<u>12 312 473</u>	<u>14 472 641</u>	<u>12 312 473</u>

Conditions still to be met - remain liabilities (see note 23).

The grant is a learnership grant from LGSETA for interns seconded at different entities.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
45. Government grants & subsidies (continued)				
Programme and Project Preparation Support Grant				
Balance unspent at beginning of year	-	4 089 154	-	4 089 154
Surrendered to National Treasury	-	(4 089 154)	-	(4 089 154)
Current-year receipts	10 000 000	7 138 000	10 000 000	7 138 000
Conditions met - transferred to revenue	(4 326 747)	(7 138 000)	(4 326 747)	(7 138 000)
	5 673 253	-	5 673 253	-

Conditions still to be met - remain liabilities (see note 23).

The purpose of the grant is to provide funding to metropolitan municipalities to enhance the performance of their urban built environment programmes by supporting programme and project preparation. It reflects commitments contained in the National Development Plan to streamline funding for urban public investments to support the restructuring of the urban built environment.

Urban Settlements Development Grant

Balance unspent at beginning of year	5 543 101	31 572 049	5 543 101	31 572 049
Surrendered to National Treasury	(5 543 101)	(31 579 848)	(5 543 101)	(31 579 848)
Current-year receipts	465 611 000	477 782 000	465 611 000	477 782 000
Conditions met - transferred to revenue	(465 611 000)	(472 231 100)	(465 611 000)	(472 231 100)
	-	5 543 101	-	5 543 101

Conditions still to be met - remain liabilities (see note 23).

The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.

Human Settlements Provincial Grant

Balance unspent at beginning of year	22 814 789	53 746 060	22 814 789	53 746 060
Conditions met - transferred to revenue	(384 543)	(30 931 271)	(384 543)	(30 931 271)
	22 430 246	22 814 789	22 430 246	22 814 789

Conditions still to be met - remain liabilities (see note 23).

This is a conditional grant with the specific purpose of providing for the upgrading of informal settlements.

Informal Settlements Upgrading Partnership Grant

Balance unspent at beginning of year	43 529 819	115 228 772	43 529 819	115 228 772
Surrendered to National Treasury	(43 529 819)	(115 228 772)	(43 529 819)	(115 228 772)
Current-year receipts	232 944 000	175 532 000	232 944 000	175 532 000
Conditions met - transferred to revenue	(183 933 129)	(132 002 181)	(183 933 129)	(132 002 181)
	49 010 871	43 529 819	49 010 871	43 529 819

Conditions still to be met - remain liabilities (see note 23).

This is a conditional grant with the specific purpose of providing for the upgrading of informal settlements.

Other information:

An amount of R38,640,000 was approved by Council for the acquisition of land.

Neighbourhood Development Partnership Grant

Current-year receipts	40 042 000	16 908 000	40 042 000	16 908 000
Conditions met - transferred to revenue	(40 042 000)	(16 908 000)	(40 042 000)	(16 908 000)
	-	-	-	-

The purpose of the grant is to be used for the development of urban network plans and improve the quality of life and access of residents in under-served neighbourhoods.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
45. Government grants & subsidies (continued)				
Public Transport Network Grant				
Balance unspent at beginning of year	91 908 038	145 453 626	91 908 038	145 453 626
Surrendered to National Treasury	(91 908 038)	(145 453 626)	(91 908 038)	(145 453 626)
Current-year receipts	167 686 000	170 028 000	167 686 000	170 028 000
Conditions met - transferred to revenue	(74 318 045)	(78 119 962)	(74 318 045)	(78 119 962)
	93 367 955	91 908 038	93 367 955	91 908 038

Conditions still to be met - remain liabilities (see note 23).

The purpose of the grant is to improve public transport infrastructure and systems, in accordance with agreed project plans.

Municipal Human Settlements Capacity Grant

Balance unspent at beginning of year	2 000 000	2 000 000	2 000 000	2 000 000
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Conditions still to be met - remain liabilities (see note 23).

The purpose of the grant is to build capacity in municipalities to deliver and subsidise the operational costs of administering human settlement programmes.

Allocation-in-kind grant

Integrated National Electrification Programme Grant (Eskom)	937 000	1 622 000	937 000	1 622 000
Municipal Systems Improvement Grant (CoGTA)	2 215 000	-	2 215 000	-
Regional Bulk Infrastructure Grant (Vaal Central Water/Bloemwater)	-	13 500 000	-	13 500 000
	3 152 000	15 122 000	3 152 000	15 122 000

Other info:

These Schedule 6(B) grants is allocations-in-kind to municipalities for designated special programmes. These funds are not paid to the municipality directly but rather to implementing agents by different departments. Only when capital projects are completed a PFMA section 42 transfer will be done by the implementing department to the municipality.

Purpose of each grant is as follows:

Integrated National Electrification Programme (Eskom) Grant

To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure in Eskom licensed areas. These funds were directly transferred to Eskom.

Municipal Systems Improvement Grant

To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation. These funds were directly transferred to the Department of Cooperative Governance and Traditional Affairs (CoGTA).

Regional Bulk Infrastructure Grant

To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements. These funds were directly transferred to Bloemwater.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 4 of 2020), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

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	2025	2024	2025	2024
46. Public contributions and donations				
Capital donations	100 000	1 287 837	100 000	1 287 837
47. Municipal debt relief				
Vaal Central Water (Bloemwater)	287 409 280	-	287 409 280	-
Eskom	128 940 293	-	-	-
	416 349 573	-	287 409 280	-

Mangaung municipality:

Vaal Central Water (Bloemwater) wrote-off R287,409,280 of interest accrued over the past few years in the current financial year. This write-off was due to negotiations between the municipality and Vaal Central Water (Bloemwater) and that the municipality complied with the approved repayment plan between the entities.

Centlec:

The municipal entity applied for ESKOM debt relief in terms of MFMA Circular no. 124. In terms of this circular the ESKOM debt balance payable as at 31 March 2023 of R386 820 878 will be written off over a three year period.

The municipal entity qualified for the first one third write off to the value of R 128 940 293 during the current financial year and this amount was thus recognised as a revenue from non exchange transaction during the current financial year. The remaining two thirds of the balance payable to the value of R 257 880 585 is expected to be written off upon successful compliance with the MFMA Circular 124 and National Treasury requirements and conditions in the following years.

Non-compliance with the MFMA Circular 124 and National Treasury requirements and conditions might result in the municipal entity being removed from the debt relief program and the outstanding amount being reinstated as payable to ESKOM.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
48. Employee related costs				
Basic salaries and wages	1 620 716 706	1 481 509 883	1 267 299 866	1 171 886 339
Contributions to Medical aid	149 420 912	138 556 528	116 511 018	108 899 690
Contributions to Pension funds	249 315 415	235 023 465	195 505 483	185 512 034
Contributions to UIF	8 510 249	8 337 675	6 823 790	6 745 157
Defined benefit plan - Current service cost	34 330 000	32 714 000	24 088 000	24 090 000
Housing benefits and allowances	11 668 005	7 863 433	8 878 804	5 895 907
Leave pay	55 246 629	60 544 526	52 453 840	55 309 723
Overtime	263 640 810	246 048 912	199 745 637	173 676 748
Shift and standby allowances	43 531 469	39 681 730	43 531 469	39 681 730
Travel, motor car, accommodation, subsistence and other allowances	185 170 251	165 679 172	145 304 549	133 230 543
	2 621 550 446	2 415 959 324	2 060 142 456	1 904 927 871

Changes to key management during the 2024/25 financial year:

- Maswabi NS was appointed as Acting Head of Corporate Services from 27 December 2024 to 16 January 2025.

Changes to key management during the 2023/24 financial year:

City Managers:

- Dumalisile NR was appointed as Acting City Manager from 01 May 2023 to 31 August 2023;
- Ntshudisane MJ was seconded to act as Acting City Manager from 01 September 2023 to 31 October 2023;
- More SJ was appointed as City Manager on 01 November 2023.

Chief Financial Officers:

- Denge LA was seconded to act as Acting Chief Financial officer from 19 December 2022 to 31 August 2023;
- Sitishi N was appointed as Acting Chief Financial Officer from 01 September 2023 to 31 March 2024;
- Pienaar GH was appointed as Acting Chief Financial Officer from 01 April 2024 to 31 May 2024;
- Thekisho ZL was appointed as Chief Financial Officer from 01 June 2024.

Head of Departments:

- Duma MV was permanently appointed as Head of Corporate Services from 01 December 2023;
- Mpangane NG was seconded to act as Head of Corporate services from 20 April 2022 to 30 November 2023;
- Masobeng IR was appointed as acting Head of Technical Services from 15 August 2023 to 30 November 2023;
- Masobeng IR was permanently appointed as Head of Technical Services from 1 December 2023;
- Mcleod C was seconded to act as Head of Engineering Services from 02 May 2022 to 14 August 2023;
- Chakane N was permanently appointed as Head of Economic and Rural Development on 01 December 2023;
- Manyungwana XC was seconded to act as Head of Economic & Rural Development 16 May 2022 to 30 November 2023;
- Nel F was seconded to act as Head of Waste & Fleet from 01 June 2022 to 30 November 2023;
- Mabunda NP was seconded to act as Head of Planning, Human Settlement and Housing from 01 May 2023 to 30 November 2023;
- Thinda KT was permanently appointed as Head of Community Services from 01 December 2023;
- Mafisa MA was appointed as acting Head of Social Services & Public Safety from 13 February 2023 to 30 November 2023;
- Ntlabezo L was appointed as acting Head of Performance Management Office from 01 January 2024 to 31 May 2024;
- Kgamanyane KI was permanently appointed as Head of Public Safety and Security from 01 December 2023;
- Ntoyi L was appointed as Head of Performance Management Office from 01 June 2024.

Other information:

An amount of R854,673 (2024: R246,354) has been overpaid to employees, of which R572,532 relates to overpayments of senior management remuneration for the controlling entity.

Irregular Expenditure – Overtime Payments

It was identified that certain officials worked overtime in excess of the maximum thresholds permitted by the Basic Conditions of Employment Act. The payments amounting to R71,448,901 (2024: R67,995,110) for the controlling entity were therefore incurred in contravention of applicable legislation and have been classified as irregular expenditure.

Management has initiated investigations to determine the root cause and whether any amounts are recoverable. No receivable has been raised at this stage pending the outcome of the investigation.

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Figures in Rand	Economic entity		Controlling entity		
	2025	2024	2025	2024	
48. Employee related costs (continued)					
Detailed remuneration of key management					
2025	Name and Initials	Annual Remuneration	Car and other allowances	Contribution to UIF, Medical Aid and Pension Funds	Total
Position					
City Manager	More SJ	3 071 276	24 000	2 080	3 097 356
Chief Financial Officer	Thekisho ZL	1 763 602	42 834	295 263	2 101 699
Acting Chief Financial Officer	Sitishi N	37 470	-	-	37 470
HOD: Corporate Services	Duma MV	1 947 864	179 652	198 278	2 325 794
Acting HOD: Corporate Services	Maswabi NS	105 778	23 045	27 980	156 803
HOD: Technical Services	Masobeng IR	1 865 501	317 881	309 040	2 492 422
HOD: Economic and Rural Development	Chakane N	2 292 851	151 914	71 229	2 515 994
HOD: Community Services	Thinda KT	2 283 151	53 742	80 929	2 417 822
HOD: Performance Management Office	Ntoyi L	868 648	330 991	1 323	1 200 962
HOD: Public Safety and Security	Kgamanyane KI	1 688 304	500 162	209 949	2 398 415
		15 924 445	1 624 221	1 196 071	18 744 737
2024	Name and Initials	Annual Remuneration	Car and other allowances	Contribution to UIF, Medical Aid and Pension Funds	Total
Position					
Acting City Manager (Secondment)	Dumalisile NR	119 292	-	1 370	120 662
Acting City Manager (Secondment)	Ntshudisane NJ	202 856	-	2 206	205 062
City Manager	More SJ	1 146 147	16 000	13 130	1 175 277
Acting Chief Financial Officer (Secondment)	Denge LA	382 370	-	3 824	386 194
Acting Chief Financial Officer	Sitishi N	777 032	129 274	187 753	1 094 059
Acting Chief Financial Officer	Pienaar GH	219 271	71 470	52 465	343 206
Chief Financial Officer	Thekisho ZL	117 791	1 600	1 383	120 774
Acting HOD: Corporate Services (Secondment)	Mpangane NG	287 255	-	3 581	290 836
HOD: Corporate Services	Duma MV	824 534	11 200	9 677	845 411
HOD: Technical Services	Masobeng IR	1 058 232	271 001	246 810	1 576 043
Acting HOD: Engineering Services (Secondment)	Mcleod C	138 776	-	1 565	140 341
HOD: Economic and Rural Development	Chakane N	808 154	11 200	26 057	845 411
Acting HOD: Human Settlements & Housing (Secondment)	Mabunda NP	529 314	-	6 002	535 316
Acting HOD: Economic & Rural Development (Secondment)	Manyungwana XC	238 199	-	3 090	241 289
Acting HOD: Waste and Fleet Management (Secondment)	Nel F	343 828	-	4 147	347 975
HOD: Community Services	Thinda KT	786 770	11 200	47 441	845 411
Acting HOD: Social Services & Public Safety	Mafisa MA	563 158	168 384	153 878	885 420
Acting HOD: Performance Management Office	Ntlabezo L	449 407	366 312	147 957	963 676
HOD: Performance Management Office	Ntoyi L	117 791	1 000	1 377	120 168
HOD: Public Safety and Security	Kgamanyane KI	500 544	234 410	77 000	811 954
		9 610 721	1 293 051	990 713	11 894 485

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
49. Remuneration of councillors				
Cell phone allowance	4 723 638	4 661 525	4 723 638	4 661 525
Councillors allowance	57 760 772	54 553 433	57 760 772	54 553 433
Councillors medical aid contributions	456 480	465 120	456 480	465 120
Councillors pension contributions	666 819	705 490	666 819	705 490
Housing allowance	-	18 000	-	18 000
Travel allowance	14 210 372	14 148 271	14 210 372	14 148 271
	77 818 081	74 551 839	77 818 081	74 551 839

In-kind benefits

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

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

The Executive Mayor and Deputy Executive Mayor have two bodyguards on a rotational basis and an official driver at the cost of Council.

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Figures in Rand

49. Remuneration of councillors (continued)

Analysis of Councillors Remuneration

2025

	Councillor	Councillor Allowance	Travel and other allowances	Pension and Medical Aid	Total
Council as at 30 June 2025					
Executive Mayor	Nthatsi GMS	1 380 239	309 141	-	1 689 380
Deputy Executive Mayor & MMC: Public Safety and Security	Titi-Odili LM	1 051 755	293 933	17 280	1 362 968
Speaker	Mathae BL	1 065 726	293 933	-	1 359 659
Chief Whip	Nikelo VE	988 007	286 689	17 280	1 291 976
MMC: Waste and Fleet Management	Mosala MT	980 425	286 689	17 280	1 284 394
MMC: Infrastructure and Engineering	Soqaga VS	983 145	286 689	17 280	1 287 114
MMC: Corporate Services	Letawana MM	1 001 074	286 689	-	1 287 763
MMC: Finance	Kruger CL	1 058 073	286 689	-	1 344 762
MMC: Planning and Economic Development	Jonas-Malephane	982 240	286 689	17 280	1 286 209
MMC: Agriculture and Rural Development	Twala PS	1 040 317	286 689	-	1 327 006
MMC: Community Services	Gai A	984 727	286 689	17 280	1 288 696
MMC: Human Settlements	Nhlapo NA	937 219	286 689	87 571	1 311 479
MMC: IDP and Performance	Tsoleli SP	1 062 512	286 689	-	1 349 201
S79 Chairperson: Municipal Public Accounts Committee	Makoboane IJ	993 606	286 689	-	1 280 295
S79 Chairperson: Public Places & Street Naming Committee	Mogotoane TJ	944 041	286 689	17 280	1 248 010
S79 Chairperson: Remunerations Committee	Tladi MM	921 162	286 689	17 280	1 225 131
S79 Chairperson: Rules Committee	Mokgothu TKW	943 681	286 689	-	1 230 370
S79 Chairperson: Petitions and Motions Committee	Morake MA	923 930	286 689	17 280	1 227 899
Part-time councillors		39 518 893	13 736 668	880 208	54 135 769
		57 760 772	18 934 010	1 123 299	77 818 081

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Figures in Rand

49. Remuneration of councillors (continued)

2024	Councillor	Councillor Allowance	Travel and other allowances	Pension and Medical Aid	Total
Council as at 30 June 2024					
Executive Mayor	Nithatsi GMS	1 259 932	304 748	-	1 564 680
Deputy Executive Mayor	Titodili LM	635 315	196 312	11 520	843 147
Speaker	Mathae BL	746 003	231 465	-	977 468
Chief Whip	Nikelo VE	920 446	286 038	14 400	1 220 884
MMC: Social Services until 19 October 2023 & Waste and Fleet Management from 19 October 2023	Mosala MT	926 745	286 038	17 280	1 230 063
MMC: Corporate Services until 19 October 2023 & Finance from 19 October 2023	Kruger CL	929 872	286 038	-	1 215 910
MMC: Waste and Fleet Management until 19 October 2023 & Corporate Services from 19 October 2023	Letawana MM	910 549	286 038	-	1 196 587
MMC: Public Safety until 19 October 2023 & IDP and Performance from 19 October 2023	Tsoleli SP	910 549	286 038	-	1 196 587
MMC: Human Settlements	Nhlappo NA	713 596	238 691	67 920	1 020 207
MMC: Infrastructure & Engineering	Soqaga VS	893 269	286 038	17 280	1 196 587
MMC: Planning & Economic Development	Jonas-Malephane VE	926 741	286 038	17 280	1 230 059
MMC: Agriculture and Rural Development	Twaala PS	944 025	286 038	-	1 230 063
MMC: Community Services	Qai A	743 306	238 691	38 209	1 020 206
S79 Chairperson: Rules Committee	Mokgothu TKW	920 027	286 038	-	1 206 065
S79 Chairperson: Petitions & Motions Committee	Morake MA	753 934	238 691	14 400	1 007 025
S79 Chairperson: Municipal Public Accounts Committee	Makoloane LJ	814 366	268 927	-	1 083 293
S79 Chairperson: Public Places & Street Naming Committee until 17 August 2023	Nhlappo NA	125 755	47 348	12 312	185 415
S79 Chairperson: Public Places & Street Naming Committee	Mogotoana TJ	717 154	238 691	14 400	970 245
Previous council:					
Deputy Executive Mayor & MMC (IDP & Performance Management) (Expelled from Council in prior year)	Mothibi-Nkoane MM	39 161	-	-	39 161
Speaker (Resigned from Council)	Lockman SB	35 245	-	-	35 245
Executive Mayor (Resigned from Council)	Siyonzana MA	38 378	-	-	38 378
Speaker (Removed as Speaker)	Davies M	228 861	72 832	4 320	306 013
MMC: IDP & Performance	Morake MA	143 446	47 347	2 880	193 673
MMC: Finance	Tit-Odili LM	336 601	94 912	5 760	437 273
MMC: Human Settlements	Tladi MM	140 566	47 348	2 880	190 794
S79 Chairperson: Public Places & Street Naming Committee (Expelled from Council in the prior year)	Mokoakoa MI	39 592	-	-	39 592
S79 Chairperson: Municipal Public Accounts Committee	Tladi MM	761 046	238 691	14 400	1 014 137
S79 Chairperson: Public Places & Street Naming Committee	Seleke PL	35 993	-	-	35 993
S79 Chairperson: Petitions & Motions Committee (Resigned 17 August from the committee)	Qai A	125 755	47 348	12 312	185 415
Part-time councillors		37 837 211	13 701 416	903 047	52 441 674
		54 553 439	18 827 800	1 170 600	74 551 839

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
49. Remuneration of councillors (continued)				
Overpayment of councillors:				
Councillors were overpaid due to upper limit differences during the current and prior financial year by R567,757 (2024: R219,778).				
As a result of the revised Government Gazette, no. 51407, the amount for the 2023/24 financial year was recalculated, resulting in reduced overpayments of R478,225. R1,543 of the R219,778 prior period overpayment has been recovered through the councillors backpay adjustments, the remaining amount relates to overpayments to terminated councillors and could not be recovered.				
50. Depreciation and amortisation				
Property, plant and equipment	908 640 493	809 506 284	612 902 408	579 180 865
Living resources	190 005	224 793	190 005	224 793
Intangible assets	16 617 514	8 815 577	474 237	379 976
	925 448 012	818 546 654	613 566 650	579 785 634
Prior period error:				
Prior year figures were restated due to errors identified in the current financial year, refer to note 77.				
51. Impairment loss				
Impairments				
Property, plant and equipment	64 341 085	57 939 776	56 441 463	54 865 231
Inventories	(784 920)	1 241 630	-	-
	63 556 165	59 181 406	56 441 463	54 865 231
The recoverable amount of the asset was assessed at the end of the financial year and it was found to be less than the carrying amount of the asset and an impairment loss was raised.				
The main events and circumstances that led to the recognition of these impairment losses are as follows:				
<ul style="list-style-type: none"> • Loss of service potential of assets due to lack of maintenance; • Vandalism and theft due to a lack of safeguarding of assets; and • Water meters unaccounted for at yearend and to be investigated. 				
52. Finance costs				
Borrowings	26 028 556	43 929 200	26 028 556	43 929 200
Employee benefit obligation	89 195 000	81 654 800	71 241 000	66 088 800
Finance lease obligation	681 878	55 645	-	-
Trade and other payables	148 086 784	120 834 354	108 493 870	113 391 521
Unwinding of provisions	113 752 139	85 162 618	113 752 139	85 162 618
	377 744 357	331 636 617	319 515 565	308 572 139
Prior period error:				
Prior year figures were restated due to errors identified in the current financial year, refer to note 77.				
53. Auditors' remuneration				
Fees	34 028 948	32 678 832	26 760 220	25 963 733

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
54. Debt impairment and bad debt write off				
Debt impairment - Consumer and other receivables	1 798 534 505	895 101 254	1 695 396 382	826 741 017
Debt impairment - Traffic fines receivable	7 580 075	7 619 996	7 580 075	7 619 996
Bad debts written off	382 350 976	692 488 067	382 350 976	692 488 067
	2 188 465 556	1 595 209 317	2 085 327 433	1 526 849 080

During the financial year, the controlling entity wrote off a total amount of R382,350,976 (2024: R692,488,067) relating to the write off of indigent consumers' debt as at the date of registration on the indigent register. The amounts exclude VAT.

55. General expenses

Animal Costs	951 445	929 303	951 445	929 303
Auditors' remuneration	34 028 948	32 678 832	26 760 220	25 963 733
Bank charges and commissions	20 122 851	18 021 341	18 147 853	16 553 062
Bursaries to employees	2 424 711	2 382 260	2 096 178	1 971 586
Chemicals	25 964 783	17 067 798	25 964 783	17 067 798
Consumables	20 526 041	20 530 272	19 692 017	19 534 847
Electricity	1 302 389	1 810 705	219 316 861	194 831 232
Fuel and oil	35 634 903	38 756 211	26 470 248	25 977 083
Indigent relief - Free electricity	2 316 945	8 198 569	41 990 203	37 932 639
Insurance	30 475 007	28 853 373	19 927 519	17 907 481
Marketing and advertising	2 381 912	3 279 777	1 777 911	2 487 265
Motor vehicle expenses	6 999 592	6 703 464	5 583 891	5 500 256
Operating lease expenditure	20 084 496	28 342 327	18 972 649	27 331 557
Postage and courier	1 006 318	101 068	1 006 318	101 068
Printing and stationery	7 644 278	6 342 195	5 292 779	4 099 406
Remuneration of ward committees	8 434 762	8 454 845	8 434 762	8 454 845
Royalties and license fees	30 129 565	26 805 077	25 361 202	21 681 147
Skills development levy	18 777 003	20 553 418	17 815 104	16 383 111
Subscriptions and membership fees	26 211 183	24 281 916	26 018 874	24 105 558
Sundry expenses	2 205 624	3 096 460	254 014	289 502
Telephone and fax	11 272 469	10 149 539	4 757 102	4 549 049
Title deed search fees	529 069	436 465	529 069	436 465
Transport and freight	943 602	1 357 516	943 602	1 357 516
Travel - Local	6 889 399	3 080 523	5 377 735	2 644 392
Repairs and maintenance	184 365 276	141 469 270	-	-
Water research	5 701 192	6 229 184	5 701 192	6 229 184
Workmen's compensation	10 089 535	8 926 119	1 873 938	1 897 057
	517 413 298	468 837 827	531 017 469	486 216 142

Prior period error:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

56. Bulk purchases

Electricity purchases	2 750 467 986	2 470 251 136	-	-
Water purchases	993 348 140	914 593 751	993 348 140	914 593 751
	3 743 816 126	3 384 844 887	993 348 140	914 593 751

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
56. Bulk purchases (continued)				
Electricity losses				
Units purchased (kWh)	1 422 518 106	1 427 722 282	-	-
Units sold (kWh)	(1 282 363 249)	(1 318 215 983)	-	-
Total loss	140 154 857	109 506 299	-	-
Rand value of loss:				
Units loss (kWh)	140 154 857	109 506 299	-	-
Rand value per unit (kWh) (rounded)	2,01	1,85	-	-
Total	282 404 354	202 219 217	-	-
Percentage Loss:				
Technical losses	9,85 %	7,67 %	- %	- %

The annual electricity distribution losses are made up of technical and non-technical losses which are the difference between electricity purchased and electricity sold.

Non-technical losses:

Non-technical losses are amongst others the result of administrative and technical errors, negligence, theft of electricity, tampering with meters and connections which form part of illegal consumption, faulty meters, etc. Non-technical losses amounted to 46 718 286 kWh - units (2024: 36 502 099 kWh - units) with a Rand value of R 94 134 785 (2024: R 67 406 405).

Technical losses:

Technical losses are the result of electricity losses while being distributed from the source of generation through the transmission and distribution network to the final consumer. The wires (copper or aluminium) being used to distribute electricity have certain resistance which resist the throughput of current, as a result there is a certain portion of electricity that is lost due to distribution. Technical losses amounted to 93 436 571 kWh - units (2024: 73 004 200 kWh - units) with a Rand value of R 188 269 569 (2024: R 134 812 812).

Water losses

Units purchased (KL)	85 022 499	83 954 556	85 022 499	83 954 556
Units sold (KL)	(43 898 109)	(42 276 352)	(43 898 109)	(42 276 352)
Total loss (KL)	41 124 390	41 678 204	41 124 390	41 678 204
Rand value of loss:				
Units loss (KL)	41 124 390	41 678 204	41 124 390	41 678 204
Rand value per unit (KL)	12,05	11,77	12,05	11,77
Total rand value for loss	495 548 900	490 552 461	495 548 900	490 552 461
Percentage Loss:				
Technical losses	48 %	49 %	48 %	49 %

Material bulk water losses are not recoverable. The main reason for incurring water losses relate to burst water pipes, leaks and illegal water connections.

Mangaung Metropolitan Municipality Group

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
57. Contracted services				
Outsourced Services				
Burial services	1 370 909	1 120 335	1 370 909	1 120 335
Connection/disconnection services	5 873 173	-	5 873 173	-
Internal Auditors	566 030	2 321 560	-	-
Litter picking and street cleaning	-	689 000	-	689 000
Meter management services	11 877 474	14 800 841	8 032 494	3 068 327
Refuse removal services	41 723 370	89 343 278	41 723 370	89 343 278
Sewerage services	28 721 557	23 827 600	28 721 557	23 827 600
Transport services	33 541 304	4 667 010	33 541 304	4 667 010
	123 673 817	136 769 624	119 262 807	122 715 550
Consultants and Professional Services				
Business and advisory services	109 929 702	90 019 784	83 157 704	71 504 240
Legal Cost	64 178 856	85 714 357	55 689 129	77 006 345
	174 108 558	175 734 141	138 846 833	148 510 585
Contractors				
Catering services	2 284 100	2 143 665	2 056 215	1 873 142
Electrical	1 516 219	1 105 905	1 516 219	1 105 905
Gardening services	2 067 868	2 012 564	2 067 868	2 012 564
Repairs and maintenance	288 564 320	247 877 661	272 500 984	234 545 998
Prepaid Electricity Vendors	60 018 889	60 876 544	-	-
Safeguard and security services	133 797 510	137 059 147	102 769 346	122 596 238
Uniform & protective clothing	11 799 068	11 513 368	10 920 615	9 794 513
Other contracted services	11 861 658	5 206 147	10 260 800	4 050 909
	511 909 632	467 795 001	402 092 047	375 979 269
	809 692 007	780 298 766	660 201 687	647 205 404

Prior period errors:

Prior year figures were restated due to errors identified in the current financial year, refer to note 77.

58. Grants, transfers and subsidies

Grants paid to municipal entity

Informal Settlements Upgrading Partnership Grant	-	-	32 782 609	50 434 783
Urban Settlements Development Grant	-	-	22 052 174	21 739 130
	-	-	54 834 783	72 173 913

Informal Settlements Upgrading Partnership Grant:

The programme facilitates the structured upgrading of informal settlements. It applies to in situ upgrading of informal settlements as well as where communities are to be relocated for a variety of reasons. The programme entails extensive community consultation and participation, emergency basic services provision, permanent services provision and security of tenure.

Urban Settlements Development Grant:

The Urban Settlements Development Grant is an integrated source of funding for infrastructure for municipal services and upgrades to informal settlements. The grant was transferred in part to Centlec (SOC) Ltd. The grant is used to provide capital subsidies to licensed distributors to address the national electrification programme in order to mitigate the risk of loadshedding and supply interruptions.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
59. Fair value adjustments				
Investment property (Fair value model)	13 533 379	3 241 585	13 533 379	3 241 585
Non-current receivables (Designated as at fair value through surplus or deficit)	14 945	23 256	14 945	23 256
Property, plant and equipment	-	549 976	-	549 976
	13 548 324	3 814 817	13 548 324	3 814 817
Prior period error:				
Prior year figures were restated due to errors identified in the current financial year, refer to note 77.				
60. Gain/(loss) on disposal of assets and liabilities				
Living resources	194 973	1 250 482	194 973	1 250 482
Property, plant and equipment	(49 729 483)	3 945 743	(29 303 001)	7 255 727
	(49 534 510)	5 196 225	(29 108 028)	8 506 209
61. Taxation				
Major components of the tax income				
Deferred				
Originating and reversing temporary differences	1 250 569 731	(41 058 138)	-	-
Assessed loss used	1 356 768 413	1 256 215 500	-	-
Assessed loss raised	(2 769 108 858)	(1 356 768 414)	-	-
	(161 770 714)	(141 611 052)	-	-
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	27,00 %	27,00 %	- %	- %
Accounting deficit	(564 742 492)	(463 861 458)	-	-
Tax at the applicable tax rate of 27% (2024: 27%)	(152 480 473)	(123 017 791)	-	-
Non-taxable income	(14 805 391)	(19 486 957)	-	-
Non-deductable expenses	5 515 150	893 696	-	-
	(161 770 714)	(141 611 052)	-	-

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
62. Cash generated from operations				
Surplus	262 385 866	85 131 842	665 259 498	407 382 250
Adjustments for:				
Depreciation and amortisation	925 448 012	818 546 654	613 566 650	579 785 634
Loss on disposal of assets	49 534 510	(5 196 225)	29 108 028	(8 506 209)
Remeasurement of provisions	(50 517 361)	(100 360 677)	(50 517 361)	(100 360 677)
Fair value adjustments	(13 548 324)	(3 814 817)	(13 548 324)	(3 814 817)
Impairment loss	63 556 165	59 181 406	56 441 463	54 865 231
Movements in retirement benefit liabilities	70 400 000	57 233 400	40 188 000	41 679 400
Finance charges	26 710 434	43 984 845	26 028 556	43 929 200
Public contributions and donations	(100 000)	(1 287 837)	(100 000)	(1 287 837)
Unwinding of FRESHCO liability	(14 127 896)	(14 127 896)	(14 127 896)	(14 127 896)
Unwinding of Land availability liability	(15 837 468)	(15 837 467)	(15 837 468)	(15 837 467)
Unwinding of provisions	113 752 139	85 162 618	113 752 139	85 162 618
Living resources	(570 500)	(630 600)	(570 500)	(630 600)
Interest received	-	-	(184 676 447)	(181 833 999)
Taxation	(161 770 714)	(141 611 052)	-	-
Changes in working capital:				
Inventory	(43 431 837)	(118 702 143)	(10 627 033)	(24 128 094)
Other receivables from exchange transactions	(38 657 090)	12 852 379	(11 136 553)	60 927 711
Consumer receivables from exchange transactions	63 738 648	(184 984 014)	63 089 395	(269 621 586)
Other receivables from non-exchange transactions	(2 491 168)	(2 684 864)	(2 491 168)	(2 684 864)
Consumer receivables from non-exchange transactions	14 482 359	(31 027 608)	14 482 359	(31 027 608)
Payables from exchange transactions	400 444 205	316 153 468	(287 620 085)	(324 445 360)
VAT	(24 732 626)	106 843 144	(51 445 689)	191 348 285
Payables from non-exchange transactions	(31 392 581)	(127 697 318)	(31 392 581)	(102 174 393)
Unspent conditional grants and receipts	(1 864 444)	(174 798 754)	(1 864 444)	(174 798 754)
Consumer deposits	(1 501 229)	(2 498 502)	446 693	(709 879)
Centlec receivable operating activities	-	-	174 769 330	180 016 308
	1 589 909 100	659 829 982	1 121 176 562	389 106 597

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
63. Financial instruments disclosure				
Categories of financial instruments				
Economic entity - 2025				
Financial assets				
	At fair value	At amortised cost	Total	
Cash and cash equivalents	-	1 103 384 389	1 103 384 389	
Consumer receivables form exchange transactions	-	1 422 520 235	1 422 520 235	
Non-current receivables	181 970	2 379 551	2 561 521	
Other receivables from exchange transactions	-	221 003 465	221 003 465	
	181 970	2 749 287 640	2 749 469 610	
Financial liabilities				
		At amortised cost	Total	
Payables from exchange transactions		2 964 168 857	2 964 168 857	
Borrowings		150 574 126	150 574 126	
Finance lease obligation		5 257 020	5 257 020	
Consumer deposits		190 904 287	190 904 287	
		3 310 904 290	3 310 904 290	
Economic entity - 2024				
Financial assets				
	At fair value	At amortised cost	Total	
Cash and cash equivalents	-	494 720 375	494 720 375	
Consumer receivables form exchange transactions	-	1 486 258 883	1 486 258 883	
Non-current receivables	167 026	80 849	247 875	
Other receivables from exchange transactions	-	205 917 158	205 917 158	
	167 026	2 186 977 265	2 187 144 291	
Financial liabilities				
		At amortised cost	Total	
Payables from exchange transactions		2 457 286 182	2 457 286 182	
Borrowings		435 763 358	435 763 358	
Consumer deposits		192 405 516	192 405 516	
		3 085 455 056	3 085 455 056	
Controlling entity - 2025				
Financial assets				
	At fair value	At amortised cost	At cost	Total
Cash and cash equivalents	-	1 064 386 781	-	1 064 386 781
Centlec intercompany loan	-	1 106 629 079	-	1 106 629 079
Centlec receivables	-	570 375 536	-	570 375 536
Consumer receivables form exchange transactions	-	973 823 973	-	973 823 973
Investment in controlled entity	-	-	100	100
Non-current receivables	181 970	8 968	-	190 938
Other receivables from exchange transactions	-	48 282 858	-	48 282 858
	181 970	3 763 507 195	100	3 763 689 265

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

63. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	1 269 571 034	1 269 571 034
Borrowings	150 574 126	150 574 126
Consumer deposits	34 145 032	34 145 032
	1 454 290 192	1 454 290 192

Controlling entity - 2024

Financial assets

	At fair value	At amortised cost	At cost	Total
Cash and cash equivalents	-	483 609 826	-	483 609 826
Centlec intercompany loan	-	822 297 757	-	822 297 757
Centlec receivables	-	844 799 741	-	844 799 741
Consumer receivables form exchange transactions	-	1 036 913 368	-	1 036 913 368
Investment in controlled entity	-	-	100	100
Non-current receivables	167 026	14 664	-	181 690
Other receivables from exchange transactions	-	39 240 847	-	39 240 847
	167 026	3 226 876 203	100	3 227 043 329

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	1 449 321 963	1 449 321 963
Borrowings	306 823 065	306 823 065
Consumer deposits	33 698 339	33 698 339
	1 789 843 367	1 789 843 367

Comparative figures were restated due to prior period errors affecting other financial line items. Refer to note 77 for further detail on prior period errors.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
64. Commitments				
Commitments in respect of capital expenditure				
Already contracted for but not provided for				
• Infrastructure	297 312 950	249 757 510	297 312 950	249 757 510
The capital expenditure will be financed from				
• Unspent conditional grants	291 258 854	247 676 195	291 258 854	247 676 195
• Own funding	6 054 096	2 081 315	6 054 096	2 081 315
	297 312 950	249 757 510	297 312 950	249 757 510
Operating leases - as lessee (expense)				
Minimum lease payments due				
- within one year	1 223 032	1 111 847	-	-
The economic entity leases a building situated in Botshabelo from Free State Development Corporation (FDC) for an indefinite period which can be terminated by way of a 3 month cancellation clause. Management agreed to rent from FDC for the next financial year at the end of which management will re-assess the likelihood of extending the lease further. The lease rental is escalated annually on 1 December by 10%.				
Operating leases - as lessor (income)				
Minimum lease payments due				
- within one year	4 430 861	5 471 297	4 430 861	5 471 297
- in second to fifth year inclusive	10 776 153	12 180 113	10 776 153	12 180 113
- later than five years	4 750 334	2 426 513	4 750 334	2 426 513
	19 957 348	20 077 923	19 957 348	20 077 923

The economic entity leases various fixed properties under non-cancellable operating leases to various institutions. The lease agreements have escalations between 4% to 12% per year with the agreements varying between 2 and 50 years,

Rental income for these agreements, to the value of R41 161 602 (2024: R38 459 032) have been recognised in the Statement of Financial Performance during the year. Renewal options have been taken into account during the calculation of the deferred lease.

There were no purchase options or contingent rent during the year.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

65. Contingencies

Contingent liabilities

Guarantees

Housing guarantees	130 790	349 014	130 790	349 014
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The economic entity has provided housing guarantees for bonds of municipal officials. The certainty and the timing of the outflow of these guarantees are uncertain. The amounts disclosed are the possible outflow amounts.

Other contingent liabilities

Labour cases and employee related matters	3 936 250	920 000	-	-
Claims by individuals due to property damages in various incidents	1 199 365	7 520 740	457 140	5 166 560
Claims by individuals due to various incidents	42 133 179	28 616 092	40 007 775	18 760 033
	<u>47 268 794</u>	<u>37 056 832</u>	<u>40 464 915</u>	<u>23 926 593</u>

The economic entity is involved in the abovementioned classes of pending claims. These include labour, insurance claims, breaches in supply chain management and other small related claims. All the claims are being contested based on legal advice. The certainty and timing of the outflows of these liabilities are uncertain. The amounts disclosed are possible outflow amounts.

Legal firms assisting the municipality are rate based and therefore the legal cost to the municipality in such matters cannot be determined.

Contingent assets

Guarantees

Quarry rehabilitation guarantees	10 260 812	9 800 493	10 260 812	9 800 493
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Petra Quarry is owned by the economic entity but is leased and operated by a private firm. It should be noted that the lease agreement with the current operator states that the tenant is responsible for rehabilitation costs. However, in the event that the tenant cannot fulfil the rehabilitation duties, the economic entity was guaranteed for the amount of R10 260 812 (2024: R9 800 493) during the 2024/2025 evaluations, to ensure that the Petra Quarry will be rehabilitated. Petra Quarry has a financial guarantee in place that covers rehabilitation. This was renewed on 14 November 2024.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

66. Related parties

Relationships:

Accounting Officers	Refer to accounting officers' report
Ultimate controlling entity	Mangaung Metropolitan Municipality Group (Municipal entity Centlec included)
Controlling entity	Mangaung Metropolitan Municipality
Controlled entities	Refer to note 15
Members of key management	Refer to note 48
Members of the mayoral committee	Refer to note 49

The controlling entity was placed under administration under Section 139(5)(a) and 139(5)(c) of the Constitution of the Republic of South Africa effective from 01 January 2020, and as per the terms of reference, the administrators had significant influence over the Metro.

Thus, during this period of temporary control, the Metro (and any entities under its control) is required to include, as per GRAP 20, all related party disclosures in its financial statements from the date that it was placed under administration.

The interim intervention team is comprised of the following members and their assumed positions:

- Dumalisile NR (Department of Human Settlements) - Acting City Manager (from 25 April 2023 until 31 August 2023).
- Denge L (National Treasury) - Acting Chief Financial Officer (from 19 December 2022 until 31 August 2023).
- Adv Mpangane N (National CoGTA) - Acting HOD Corporate Services (term ended on 30 November 2023).
- McLeod WR (MISA) - Acting HOD Engineering Services (term ended 14 August 2023).
- Manyungwana XC (seconded from the Department of Transport).
- Nel F (Department of Forestry, Fisheries and the Environment) - Waste and Fleet Management (term ended on 30 November 2023).
- Mabunda N (MISA) - Acting HOD Human Settlements and Housing (from 25 April 2023 until 30 November 2023).

The National Intervention team were as follows:

- Malaza G - National Cabinet Representative
- Kunene V - Finance Specialist
- Cibane T - Governance Specialist
- Nkosi M - Governance Specialist

There were no related party transactions with any of the administrators listed above during the current or prior year. All transactions with provincial and national departments were within normal operating parameters.

Related party balances - Controlling entity

Investment in controlled entities

Centlec (SOC) Limited	100	100
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Refer to note 15 for further details for the above investments.

Loan accounts - Owing by related parties

Centlec (SOC) Limited - Capital advances	34 635 957	41 190 373
Centlec (SOC) Limited - Intercompany loan	1 106 629 079	822 297 757
Centlec (SOC) Limited - Shareholders loan	535 739 579	803 609 368
	1 677 004 615	1 667 097 498

Refer to notes 9 and 16 for further details for the above loan accounts.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
66. Related parties (continued)				
Related party transactions - Controlling entity				
Interest received from related parties				
Centlec (SOC) Limited - Capital advances			(4 839 869)	(5 610 013)
Centlec (SOC) Limited - Intercompany loan			(107 036 195)	(90 783 581)
Centlec (SOC) Limited - Shareholders loan			(179 836 578)	(176 223 986)
			(291 712 642)	(272 617 580)
Expenses paid to/(income received from) related parties				
Centlec (SOC) Limited - Capital advance redemption			(6 554 416)	(6 554 416)
Centlec (SOC) Limited - Free basic electricity			39 673 257	29 734 070
Centlec (SOC) Limited - Fuel issued to MMM by Centlec (SOC) Ltd			799 095	174 136
Centlec (SOC) Limited - Grants paid - ISUPG			32 782 609	50 434 783
Centlec (SOC) Limited - Grants paid - USDG			22 052 174	21 739 130
Centlec (SOC) Limited - Municipal building electricity consumption			85 612 544	75 571 157
Centlec (SOC) Limited - Streetlight electricity consumption			132 401 928	117 449 370
			306 767 191	288 548 230
Receipts on behalf of related parties				
Centlec (SOC) Limited - Bank receipts			2 033	176 802
Centlec (SOC) Limited - Telephone expenses			98 145	314 363
			100 178	491 165
Transfers made to/(received from) related parties				
Mangaung Metro Municipality - Cash transfers			31 495 610	16 878 167
Refer to note 38 for further details for interest received from related parties.				
Expenses paid to close family members of municipal officials				
Relebeletse Trading (PTY) Ltd - Moopedi KS - Assistant Forensic Investigator			3 582 842	-
Setlhare Group (Pty) Ltd - Setlhare SS - Cashier			3 229 568	-
			6 812 410	-
Compensation to accounting officer and other key management (Centlec)				
Annual remuneration	10 733 235	9 259 304	-	-
Travel, motor car, accommodation, subsistence and other allowances	1 178 732	996 600	-	-
Contributions to UIF, medical and pension funds	137 792	113 771	-	-
Acting allowance	165 935	244 954	-	-
Directors fee	773 853	1 138 301	-	-
	12 989 547	11 752 930	-	-

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

66. Related parties (continued)

Key management information - Centlec (SOC) Limited

Class	Description	Number
Non-executive board members	Not regarded as key management of the economic entity	6
Executive board members	Not regarded as key management of the economic entity	2
Executive management	Not regarded as key management of the economic entity	6

Remuneration of management

Councillors/Mayoral committee members:

Refer to note 49 for details relating to remuneration of councillors.

Councillors have accounts with the entity for the provision of normal municipal services. These are not disclosed as related parties as it is done on terms and conditions which is no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and those terms and conditions are within the normal operating parameters established by the reporting entity's legal mandate.

No further transactions took place between the entity and key management personnel or their close family members during the reporting period.

Refer to appendix A for councillor arrear consumer accounts.

Key management:

Refer to note 48 for details relating to the remuneration of executive management.

Key management have accounts with the entity for the provision of normal municipal services. These are not disclosed as related parties as it is done on terms and conditions which is no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and those terms and conditions are within the normal operating parameters established by the reporting entity's legal mandate.

No further transactions took place between the entity and key management personnel or their close family members during the reporting period.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

66. Related parties (continued)

Compensation to directors and other key management

2025

Name	Annual remuneration	Travel, motor car, accommodation, subsistence and other allowances	Contributions to UIF, medical and pension funds	Acting allowance	Directors fee	Total
Non-executive directors						
Mokitlane MC (Chairperson)	-	-	-	-	168 090	168 090
Mfanta MB (Deputy Chairperson)	-	-	-	-	110 887	110 887
Mohanoe G	-	-	-	-	68 022	68 022
Barlow DR	-	-	-	-	109 591	109 591
Baloyi NT	-	-	-	-	154 766	154 766
Mopeli MA	-	-	-	-	83 138	83 138
Markus ED	-	-	-	-	79 359	79 359
Key management						
Chief Executive Officer - Sekoboto MS	2 329 541	150 244	26 824	-	-	2 506 609
Chief Financial Officer - Williams ZSN	1 616 535	380 644	21 518	-	-	2 018 697
Executive Manager: Compliance and Performance - Mahao MD	1 667 050	19 900	19 138	-	-	1 706 088
Company Secretary - Tsitsi KC	1 667 050	24 500	19 184	-	-	1 710 734
Executive Manager: Retail - Motshwene B	1 670 180	375 400	22 015	-	-	2 067 595
Executive Manager: Wires - Mojaje LJ	1 523 050	164 644	18 855	-	-	1 706 549
Executive Manager: Human Resources (acting) - Molemela M	259 829	63 400	10 258	165 935	-	499 422
	10 733 235	1 178 732	137 792	165 935	773 853	12 989 547

Me. S.S.C. Tsoai resigned as Executive Manager: Human Resources during May 2024. Me. M. Molemela was appointed as acting Executive Manager: Human Resources during June 2024 until April 2025, whereafter she was permanently appointed as the Executive Manager: Human Resources from May 2025.

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Figures in Rand	Economic entity		Controlling entity			
	2025	2024	2025	2024		
66. Related parties (continued)						
2024						
	Annual remuneration	Travel, motor car, accommodation, subsistence and other allowances	Contributions to UIF, medical and pension funds	Acting allowance	Directors fee	Total
Name						
Non-executive directors						
Mokitlane MC (Chairperson)	-	-	-	-	268 746	268 746
Mfanta MB (Deputy Chairperson)	-	-	-	-	243 660	243 660
Mohanoe G	-	-	-	-	151 160	151 160
Barlow DR	-	-	-	-	170 055	170 055
Baloyi NT	-	-	-	-	164 857	164 857
Mopeli MA	-	-	-	-	139 823	139 823
Key management						
Chief Executive Officer - Sekoboto MS	2 479 770	144 000	28 260	-	-	2 652 030
Chief Financial Officer - Williams ZSN	666 328	156 000	9 533	-	-	831 861
Chief Financial Officer (Acting) - Lenka MJ	-	-	-	118 842	-	118 842
Executive Manager: Compliance and Performance - Mahao MD	694 607	6 000	7 949	-	-	708 556
Executive Manager: Compliance and Performance (prior) - Leteno NA	455 113	106 000	6 354	-	-	567 467
Company Secretary - Tsitsi KC	833 529	12 000	9 586	-	-	855 115
Executive Manager: Retail - Motshwene B	640 699	131 000	8 318	110 143	-	890 160
Executive Manager: Retail - Mokoena SS	423 113	138 000	6 290	-	-	567 403
Executive Manager: Wires - Mojaje LJ	1 636 309	158 400	19 921	-	-	1 814 630
Executive Manager: Human Resources (resigned) - Tsoai SSC	1 429 836	145 200	17 560	-	-	1 592 596
Executive Manager: Human Resources (acting) - Molemela M	-	-	-	15 969	-	15 969
	9 259 304	996 600	113 771	244 954	1 138 301	11 752 930

Mr. S.K. Zziwa was appointed as the acting Chief Financial Officer in July 2021 and acted until February 2023. Me. M.J. Lenka was appointed as the acting Chief Financial Officer in March 2023 and acted until January 2024. Me. Z.S.N. Williams was appointed as the new Chief financial Officer in February 2024.

Me. N.A. Leteno's employment contract came to an end during November 2023. During February 2024 Mr. M.D. Mahao was appointed as the new Executive Manager: Compliance and Performance.

Mr. T. Malgas resigned as the Company Secretary during June 2023. During January 2024, Mr K.C. Tsitsi was appointed as the new Company Secretary.

Me. B. Motshwene was appointed as the Acting Executive Manager: Retail in March 2023 until January 2024. From February 2024 Me. B. Motshwene was appointed as the new Executive Manager: Retail during February 2024.

Me. S.S.C. Tsoai resigned as Executive Manager: Human Resources during May 2024. Me. M. Molemela was appointed as acting Executive Manager: Human Resources during June 2024.

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

67. Risk management

Financial risk management

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

This note presents information about the entity's exposure to each of the financial risks below and the entity's objectives, policies and processes for measuring and managing the financial risks. Further quantitative disclosures are included throughout the annual financial statements.

The Council has overall responsibility for the establishment and oversight of the entity's risk management framework.

The economic entity's audit committee oversees the monitoring of compliance with the entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the entity. The audit committee is assisted in its oversight role by the entity's internal audit function.

The economic entity monitors and manages the financial risks relating to the operations of the entity through internal risk reports which analyses exposures by degree and magnitude of risks.

The economic entity seeks to minimise the effects of these risks in accordance with the entity's policies approved by the Council. The policies provide written principles on interest rate risk, credit risk and the investment of excess liquidity.

Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The entity does not enter into or trade in financial instruments for speculative purposes.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

67. Risk management (continued)

Liquidity risk

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

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

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position 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.

The economic entity is exposed to a number of guarantees for housing loans to employees. Refer to note 65 for additional details.

Economic entity

At 30 June 2025	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	96 269 377	54 304 749	-
Finance lease obligation	2 364 005	2 893 015	-
Payables from exchange transactions	3 430 937 136	-	-
Payables from non-exchange transactions	131 026 442	-	-
	3 660 596 960	57 197 764	-

At 30 June 2024	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	156 246 602	150 576 463	-
Payables from exchange transactions	2 890 429 862	-	-
Payables from non-exchange transactions	162 419 023	-	-
	3 209 095 487	150 576 463	-

Controlling entity

At 30 June 2025	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	96 269 377	54 304 749	-
Payables from exchange transactions	1 603 659 439	-	-
Payables from non-exchange transactions	131 026 442	-	-
	1 830 955 258	54 304 749	-

At 30 June 2024	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	156 246 602	150 576 463	-
Payables from exchange transactions	1 761 532 932	-	-
Payables from non-exchange transactions	162 419 023	-	-
	2 080 198 557	150 576 463	-

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
67. Risk management (continued)				
Credit risk				
Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The economic entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.				
Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.				
Financial assets exposed to credit risk at year end were as follows:				
Financial instrument:				
Cash and cash equivalents	1 103 524 938	494 860 924	1 064 386 781	483 609 826
Centlec intercompany loan	-	-	1 106 629 079	822 297 757
Centlec receivables	-	-	570 375 536	844 799 741
Consumer receivables from exchange transactions	1 422 520 235	1 486 258 883	973 823 973	1 036 913 368
Investment in controlled entity	-	-	100	100
Non-current receivables - at amortised cost	2 379 551	14 664	8 968	14 664
Non-current receivables - at fair value	181 970	167 026	181 970	167 026
Other receivables from exchange transactions	271 238 386	234 675 838	48 282 858	39 240 847
	<u>2 799 845 080</u>	<u>2 215 977 335</u>	<u>3 763 689 265</u>	<u>3 227 043 329</u>

These balances represent the maximum exposure to credit risk.

There has been no change, since the previous financial year, to the economic entity's exposure to credit risks or the manner in which it manages and measures risks.

Market risk

Interest rate risk

Interest rate risk is defined as the risk that the fair value of future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest rate changes.

The economic entity's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer term borrowings are therefore usually at fixed rates.

At year end, the financial instruments exposed to interest rate risk were as follows:

- Call, notice and fixed deposits
- Development Bank of South Africa, Standard Bank of South Africa Limited and ABSA loans
- Finance lease obligations

The economic entity's interest rate risk arises from long-term borrowings and finance leases. Borrowings and finance leases issued at variable rates expose the entity to cash flow interest rate risk.

Borrowings and finance leases issued at fixed rates expose the entity to fair value interest rate risk. Economic entity policy is to maintain the majority of its borrowings and finance leases in fixed rate instruments. During 2025 and 2024 financial years, the entity's borrowings and finance leases at variable rate were denominated in the Rand.

Foreign exchange risk

The economic entity does not enter into significant foreign currency transactions and has had very limited exposure to foreign currency risk.

The economic entity does not hedge foreign exchange fluctuations.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

67. Risk management (continued)

Price risk

The economic entity is exposed to equity securities price risk because of investments held by the economic entity and classified on the consolidated statement of financial position either as available-for-sale or at fair value through surplus or deficit. The economic entity is not exposed to commodity price risk.

Post-tax surplus for the year would increase/decrease as a result of gains or losses on equity securities classified as at fair value through surplus or deficit. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available-for-sale.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

68. Going concern

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

We draw attention to the fact that at 30 June 2025, the economic entity had an accumulated surplus of R12 419 885 659 (2024: R12 143 113 663) and that the economic entity's total assets exceed its total liabilities by R22 365 438 947 (2024: R17 220 333 124).

The economic entity had a surplus of R262 385 866 (2024: R85 131 842) for the year. The current liabilities exceed the current assets by R422 003 601 (2024: R627 596 102).

However, the following events or conditions, along with other matters as set forth in this note indicates that a material uncertainty exists that may cast significant doubt on the economic entity's ability to continue as a going concern:

The economic entity is under financial distress requiring the implementation of a mandatory financial recovery plan (FRP) during the year ended 30 June 2025. There is slow progress in dealing with financial difficulties, as only 58% of the Phase 1: Rescue Phase activities contained in the FRP were implemented since August 2023.

The outstanding amount owed for bulk water supplies is R642 048 753 (2024: R921 667 119) which was long overdue, and the economic entity incurred material water losses, refer to note 56 for further detail.

The outstanding amount owed for bulk electricity supplies is R1 598 269 023 (2024: R1 099 284 808) which was long overdue, and the economic entity incurred material electricity losses, refer to note 56 for further detail.

As disclosed in note 20, the economic entity is taking an average period of 165 days (2024: 153 days) to pay their creditors. This indicates that the economic entity is not adequately managing its working capital and effective internal controls are not in place to ensure prompt payments. In addition, the economic entity is experiencing cash flow problems, which may be indicative of or lead to possible financial viability difficulties.

The average number of days required for the municipality to receive payment from its consumers for bills/invoices issued to them for goods and/or services is 111 days (2024: 133 days). In addition to this, the municipality is expecting that 84% (2024: 81%) of their receivables will be uncollectable. The extensive period in collecting debt, coupled with the significant un-collectability rate, could indicate that municipality's credit control policy is not effective or properly implemented, however collection is one of the main pillars of the Financial Recovery Plan.

This is further confirmed by the fact that only 2% (2024: 2%) of municipal expenditure was channelled to repairs and maintenance of critical service delivery infrastructure and the current overall spending on critical service delivery infrastructure amounts to 8% (2024: 7%) of total expenditure, leading growing service delivery backlogs. The costs incurred by the municipality in relation to refurbishment, rehabilitation and reconstruction of service delivery assets to ensure the sustainability of service delivery amounts to 55% (2024: 42%) of total capital expenditure. The municipality is steadily investing more in service delivery infrastructure to improve the condition of existing infrastructure, that will ensure the continued delivery of services.

The combination of slow recovery of payments for consumer bills/invoices and the period taken to pay creditors indicates that the economic entity is experiencing challenges in the collection of outstanding amounts due to it. This exposes it to cash flow risk and likely liquidity problems, which may lead to continued financial health difficulties, because a significant amount of potential cash is tied up in consumer debtors which in turn is required to pay creditors.

While the economic entity's current liabilities exceed its current assets, the municipality will not be able to settle all its current and short-term obligations with cash and investments (i.e. liquid assets) as they fall due at any specific point. This is caused by the economic entity not adequately managing its operating activities and working capital, as the economic entity tends to over commit itself and not managing cash-flow in line with the approved budget.

Thus, there is a risk that that non-current assets will need to be liquidated to settle current liabilities or that additional government funding may be required. An unfavourable liquidity position may therefore be indicative of an inability to continue operating optimally.

Furthermore, there was a net increase/(decrease) in cash and cash equivalents per cash flow statement of R608 664 014 (2024: R(216 299 992)).

There is a real risk that the economic entity and its service delivery requirements may be unsustainable, unless additional government funding is obtained.

The economic entity has received a credit rating of Ba1 – non-investment grade from Moody's Rating Agency. This rating reflects the city's weak operating performance and fragile liquidity as well as a low likelihood that the Government of South Africa (Ba2 stable) would provide support if the city were to face acute liquidity stress. The credit profile is further supported by the municipality's low debt levels compared to those of other rated Metropolitan Municipality's in the country and its medium-sized economic base.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

68. Going concern (continued)

The following areas and key activities will be focused on within the next 6-12 months after year end to improve on the financial situation of the economic entity:

Funded Budget Status: Capital Budget – Ring-fencing and monitoring of unspent conditional grants. Monthly progress reports detailing the implementation of both the procurement plan and project implementation plans to be provided for monitoring purposes.

Revenue management – The economic entity is planning to implement revenue enhancement initiatives including robust billing, collection, and credit control procedures that must be adhered to. Furthermore, aggressive debt collection mechanisms will be implemented by taking legal action. Payment agreements will be entered into with all revenue owing government departments where the economic entity will be seeking Provincial Treasury intervention if necessary. The economic entity will also engage with debtors to agree on payment arrangements.

Indigent Management - Updating and cleansing of data on the system to provide correct details of customers. A review of the data captured on the system will be done by senior personnel to ensure accuracy and completeness with correction of accounts done on a monthly basis.

Supply Chain Management Compliance and Value for Money Procurement – The economic entity will embark on a process to interrogate all UIF&W expenditure with reasons therefore and which will be submitted to Council for their decision on what action should be taken based on management's recommendations. Appropriate legal action to be instituted and consequence management taken based on the outcomes of the investigations.

Cost Containment and Realistic Cash Flow Management – The economic entity will implement a system of expenditure control where no expenditure/ order is authorised unless it is provided for in the cash flow management system.

Revenue Raising Measures - To increase revenue, an audit will be conducted on all Municipal owned billboards and facilities that can generate revenue, implement by-laws and charge penalties where there is transgression and implement billing at the landfill sites once the weighbridges are operational.

Creditor Management – The Service Level Agreement with Bloem Water will be reviewed and the bulk supply tariffs will be renegotiated as well as renegotiating parts of amounts owed such as penalties relating to Eskom.

Financial Control Environment – Conduct a review on the audit action plan immediately after the issue of the audit report, provide practical action plan and track progress thereof.

Debt Restructuring – ESKOM: Apply for MFMA Circular No. 124 – Municipal Debt Relief through National Treasury.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
69. Unauthorised expenditure				
Opening balance as previously reported	8 806 165 018	6 994 306 759	7 799 697 647	6 456 556 095
Add: Unauthorised expenditure - identified during the current year	1 355 234 916	1 811 858 259	1 125 802 477	1 343 141 552
Closing balance	10 161 399 934	8 806 165 018	8 925 500 124	7 799 697 647

Unauthorised expenditure per department

Current vote structure:

Unauthorised expenditure - OPEX				
Vote 1 - Office of the City Manager	12 924 290	-	12 924 290	-
Vote 2 - Office of the Executive Mayor	19 749 289	-	19 749 289	-
Vote 3 - Corporate Services	172 630 124	-	172 630 124	-
Vote 4 - Financial Services	34 596 819	-	34 596 819	-
Vote 5 - Community and Social Development	71 692 451	-	71 692 451	-
Vote 7 - Planning and Rural Development	2 622 363	-	2 622 363	-
Vote 8 - Roads and Transport	90 704 213	-	90 704 213	-
Vote 9 - Water and Sanitation	498 757 169	-	498 757 169	-
Vote 10 - Municipal General	146 031 885	-	146 031 885	-
Vote 11 - Public Safety and Security	22 894 829	-	22 894 829	-
Vote 12 - Centlec	229 432 439	-	-	-
Vote 15 - Other (Naledi and Soutpan)	53 199 045	-	53 199 045	-

Previous vote structure:

Unauthorised expenditure - OPEX

Vote 1 - Office of the City Manager	-	1 952 763	-	1 952 763
Vote 3 - Corporate Services	-	210 289 212	-	210 289 212
Vote 4 - Finance	-	292 924 983	-	292 924 983
Vote 7 - Human Settlements	-	42 061 035	-	42 061 035
Vote 8 - Technical Services	-	629 991 074	-	629 991 074
Vote 10 - Miscellaneous	-	74 201 703	-	74 201 703
Vote 11 - Public Safety	-	53 819 725	-	53 819 725
Vote 12 - Centlec	-	468 716 707	-	-

Unauthorised expenditure - CAPEX

Vote 3 - Corporate Services	-	37 898 758	-	37 898 758
Vote 4 - Finance	-	2 299	-	2 299
	1 355 234 916	1 811 858 259	1 125 802 477	1 343 141 552

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	372 269 060	662 881 167	146 772 996	662 881 167
Cash	1 382 500 336	1 498 969 758	1 378 563 961	1 030 253 051
	1 754 769 396	2 161 850 925	1 525 336 957	1 693 134 218

The total overspend per line item as per the Statement of Financial Performance does not agree to the total overspend as per the departmental votes due to certain departmental votes not being overspent in total, but includes line items which is overspent per line item on the Statement of Financial Performance.

Analysed as follows: non-cash

Debt impairment	47 817 801	323 496 091	47 817 801	323 496 091
Depreciation and amortisation	285 332 968	282 524 139	66 951 606	282 524 139
Impairment loss	7 114 702	54 865 231	-	54 865 231
Inventory losses/write-downs	4 302 059	1 995 706	4 302 059	1 995 706
Loss on disposal of assets	27 701 530	-	27 701 530	-
	372 269 060	662 881 167	146 772 996	662 881 167

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
69. Unauthorised expenditure (continued)				
Analysed as follows: cash				
Operational expenditure	-	-	-	-
Bulk purchases	485 648 141	657 055 157	485 648 141	386 735 751
Contracted services	84 219 632	47 377 516	84 219 632	47 377 516
Employee related cost	183 713 163	86 158 555	183 713 163	40 180 910
Finance costs	293 523 110	414 884 265	293 523 110	262 464 609
General expenditure	280 922 888	189 720 379	276 986 513	189 720 379
Grants, transfers and subsidies	54 473 402	72 149 413	54 473 402	72 149 413
	-	-	-	-
Capital expenditure	-	-	-	-
Intangible assets	-	31 624 473	-	31 624 473
	1 382 500 336	1 498 969 758	1 378 563 961	1 030 253 051

Disciplinary steps taken/criminal proceedings

No investigations were performed or disciplinary steps taken during the year.

Other information

Unauthorised expenditure figures disclosed above have been presented in this set of Annual Financial Statements are exclusive of VAT, for both the current and prior financial years.

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	2025	2024	2025	2024
70. Fruitless and wasteful expenditure				
Opening balance as previously reported	560 169 766	430 207 192	448 506 744	325 987 004
Add: Fruitless and wasteful - current year	67 236 418	124 990 291	27 643 504	117 547 457
Add: Previous year identified in current year	-	4 972 283	-	4 972 283
Less: Amount written off by service providers	(192 309 887)	-	(192 309 887)	-
Closing balance	435 096 297	560 169 766	283 840 361	448 506 744

Fruitless and wasteful expenditure is presented inclusive of VAT

Expenditure identified in the current year include those listed below:

Class of expenditure	Details					
Interest (late payments)	Benetech	-	581 289	-	581 289	
	Down Touch Investments	-	325 462	-	325 462	
	Eskom	39 854 792	7 518 173	261 878	98 827	
	FSPG: Police, Road and Transport	825 602	448 411	825 602	448 411	
	Khanya Lesedi Trading	-	440 738	-	440 738	
	Maine Management Consultants	-	1 243 201	-	1 243 201	
	Molefi Thoabala	-	874 369	-	874 369	
	Mthombeni & Associates Consulting	1 574 792	-	1 574 792	-	
	Nkungama MG	201 742	-	201 742	-	
	Phiriphiri Security Services	-	664 663	-	664 663	
	Razzmatazz	-	1 152 288	-	1 152 288	
	SALA Pension Fund	4 295 522	3 246 752	4 295 522	3 246 752	
	Seqhobong Construction	277 373	-	277 373	-	
	Telkom	-	23 488	-	-	
	Vaal Central Water (Bloemwater)	5 253 456	103 152 811	5 253 456	103 152 811	
	Vemisani Security Services	-	640 692	-	640 692	
	Other payables and suppliers	704 112	1 174 724	704 112	1 174 724	
	Overpayments	To various suppliers	-	2 115 072	-	2 115 072
		Botshabelo West	1 815 492	-	1 815 492	-
		Mangaung employees	845 437	-	845 437	-
Refurbishment of Maselspoort WTW - additional VO approved		2 225 817	-	2 225 817	-	
Fines		Free State Traffic	-	850	-	850
Delays on capital projects	Refurbishment of Hamilton Water Pump Station	-	316 368	-	316 368	
	Widening of Vereeniging Avenue Dual Carriage Way T1534B	-	6 043 223	-	6 043 223	
	Vandalism of capital projects	Development of Vista Park 3	9 362 281	-	9 362 281	-
		67 236 418	129 962 574	27 643 504	122 519 740	

No investigations were performed during the year and no amounts were approved to be written off.

Vaal Central Water (Bloemwater) wrote-off R192,309,887 of interest accrued over the past few years in the current financial year. This write-off was due to negotiations between the municipality and Vaal Central Water (Bloemwater) and that the municipality complied with the approved repayment plan between the entities.

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	2025	2024	2025	2024

71. Irregular expenditure (continued)

The amounts disclosed is inclusive of VAT.

Disciplinary steps taken/criminal proceedings:

No investigations were performed or disciplinary steps taken during the year.

Amounts recovered:

Councillors were overpaid due to upper limit differences during the current and prior financial year by R567,757 (2024: R219,778).

As a result of the revised Government Gazette, no. 51407, the amount for the 2023/24 financial year was recalculated, resulting in reduced overpayments of R478,225. R1,543 of the R219,778 prior period overpayment has been recovered through the councillors backpay adjustments, the remaining amount relates to overpayments to terminated councillors and could not be recovered.

Other information:

The nature, cause and circumstances of the irregular identified are indicative of other similar irregular expenditure in the population. The irregular expenditure disclosed is not complete as management is still in the process of quantifying the full extent of irregular expenditure. Accordingly, the entire population will be investigated during the next financial year, to determine the full extent of irregular expenditure.

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	2025	2024	2025	2024
72. Additional disclosure in terms of Municipal Finance Management Act				
Contributions to organised local government (SALGA)				
Current year subscription / fee	19 894 406	18 592 903	19 894 406	18 592 903
Amount paid - current year	(19 894 406)	(18 592 903)	(19 894 406)	(18 592 903)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Audit fees (Excluding VAT)				
Opening balance	262 602	837 857	174 270	593 437
Amount paid - current year	(33 073 763)	(31 739 619)	(25 805 035)	(25 112 852)
Amount paid - previous years	(262 602)	(807 499)	(174 270)	(563 079)
Current year fees	33 402 556	32 002 221	26 133 828	25 287 122
Credit note	(1 430)	-	-	-
Non-adjusting prior period error	-	(30 358)	-	(30 358)
	<u>327 363</u>	<u>262 602</u>	<u>328 793</u>	<u>174 270</u>
PAYE, UIF and SDL				
Opening balance	(16 914)	22 820 876	(13 148)	22 821 028
Amount paid - current year	(524 612 066)	(458 508 712)	(416 912 708)	(362 540 538)
Amount paid - previous years	-	(22 834 243)	-	(22 834 243)
Current year fees	524 535 920	458 490 895	416 912 991	362 526 335
Non-adjusting prior period error	-	13 215	-	13 215
Penalties and interest	50	1 055	50	1 055
Unallocated payments allocated	3 766	-	-	-
	<u>(89 244)</u>	<u>(16 914)</u>	<u>(12 815)</u>	<u>(13 148)</u>
Pension and Medical Aid Deductions				
Opening balance	14 228	37 131 135	-	37 135 285
Amount paid - previous years	(14 228)	(37 131 135)	-	(37 135 285)
Current year payroll deductions and council contributions	631 261 471	590 404 625	493 770 620	465 762 683
Amount paid - current year	(631 231 644)	(590 390 397)	(493 770 620)	(465 762 683)
	<u>29 827</u>	<u>14 228</u>	<u>-</u>	<u>-</u>
VAT				
VAT receivable	35 744 372	27 542 891	16 749 198	6 666 931
VAT output payables and VAT input receivables are shown in note 8.				
All VAT returns have been submitted by the due date throughout the year.				
Grants withheld				
The following amounts were withheld by National Treasury due to the slow implementation of projects. The amounts were subsequently forfeited.				
Expanded Public Works Programme Incentive Grant	-	183 852	-	183 852
Finance Management Grant	-	120 208	-	120 208
Informal Settlements Upgrading Partnership Grant	43 529 819	115 228 772	43 529 819	115 228 772
Programme and Project Preparation Support Grant	-	4 089 154	-	4 089 154
Public Transport Network Grant	91 908 038	145 453 626	91 908 038	145 453 626
Urban Settlement Development Grant	5 543 101	31 579 848	5 543 101	31 579 848
	<u>140 980 958</u>	<u>296 655 460</u>	<u>140 980 958</u>	<u>296 655 460</u>

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73. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the consolidated annual financial statements.

For the current financial year there were instances where goods and services were procured and deviated from the normal Supply Chain Management Policy, as provided for in sections 15.8.3 and 16.3.1 of the Supply Chain Management Policy.

Class of deviation in amounts

Emergency	873 100	-	873 100	-
Exceptional case	4 861 055	14 121 725	4 861 055	14 121 725
Other	623 881	3 047 750	-	-
Ratifying of SCM procedures	7 960 528	-	7 960 528	-
Sole supplier	21 442 040	10 629 517	6 070 215	5 442 086
Urgent	-	591 472	-	-
	35 760 604	28 390 464	19 764 898	19 563 811

Class of deviation in numbers

Emergency	2	-	2	-
Exceptional cases	242	350	242	350
Other	31	10	-	-
Ratifying of SCM procedures	1	-	1	-
Sole supplier	25	24	9	13
Urgent	-	1	-	-
	301	385	254	363

In terms of Section 45 of the Municipal Supply Chain Management Regulations the municipal entity must disclose particulars of any award more than R 2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous 12 months.

For the period under review there were instances where the municipal entity made awards more than R 2 000 to a person who is a spouse, child or parent of a person in the service of the state as set out below:

Incident	Rand value
NB Mechanicals The spouse of one of the directors, Shaun Barnes, is employed as an assistant librarian at the Department of Sports, Arts and Culture.	15 340
Ice-cloud SA/Mosima SA The spouse of one of the directors, Victor Motatung, is employed as a medical officer at the department of health.	33 165 713
Bluestone Developers SA The spouse of one of the directors, Amanda Collison, is employed in the revenue department at Centlec (SOC) Ltd.	363 524
Da Vinci Institute for technology One of the shareholder companies, Business Venture Investments No. 428 PTY Ltd, of the service provider has a director, Edward Kieswetter, who is the Commissioner of SARS.	6 000
Xoltha Trading The spouse of one of the directors, Xoliswa Mbali, is employed in the engineering wires department of Centlec (SOC) Ltd.	1 194 999
Dela Casa Trading 701 The director of Dela Casa Trading 701, Thabo Mlandu, is the director in another company, NKGGO Communications and Multi Services Primary Co-operative Limited, which in turn has another director, Masabata Maureen Moeng, who is employed as a Clerk in Centlec (SOC) Ltd.	214 804
	34 960 380

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74. Subsequent events

The accounting officer is aware of the following matters and/or circumstances arising since the end of the financial year:

- Subsequent to the reporting date, the municipality received a Labour Court judgment relating to the implementation of a revised shift system for municipal employees. The Court found that the municipality had not fully met the consultation requirements when amending working hours and conditions and directed that previous working arrangements be reinstated. As a result, the implementation of the new shift system has been paused pending the finalisation of the municipality's appeal. The financial implications of this judgment are not yet reasonably measurable. The appeal process is currently under way, and the final outcome remains outstanding.
- On 31 July 2025, Council considered and resolved to write-off old debts from closed accounts, totalling R26,57 million across 5 299 accounts. Council further approved the write-off of interest raised on municipal debtor accounts as of 30 June 2025, amounting to R2,90 billion across 217 517 accounts.
- The council took a decision in the meeting held on 31 July 2025 to dissolve and terminate the term of office of Centlec (SOC) Ltd's existing board of directors. On 28 August 2025, me. M.J. Ntshudisane, was appointed as the interim chairperson of the board.

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75. Budget differences

Material differences between budget and actual amounts

The following are explanations for material variances of more than 10% between budget and actual amounts for the controlling entity and more than 5% between budget and actual amounts for the municipal entity. This is due to a larger budget allocation to the controlling entity than to the municipal entity.

Financial Performance:

75.1 Service charges:

The variance is attributed to customers consuming more than anticipated during the budget process and the increased demand in water consumption. This is somewhat offset with regards to electricity sales, where customers are converting to alternative energy sources due to the inconvenience of load shedding and escalating electricity tariffs.

75.2 Rental of facilities and equipment:

The variance is due to less rental revenue generated than anticipated due to current economic conditions and the high cost of living.

75.3 Other income from exchange transactions:

The variance is due to lower revenue collected for rendering services than anticipated and the separate disclosure of service concession arrangements which was budgeted as part of other income from exchange transactions. Additionally, streetlight consumption revenue is not originally being budgeted for under other income but rather under service charges due to mSCOA requirements.

75.4 Interest received from exchange transactions:

The variance is mainly due to increased consumer receivables from exchange transactions, especially on the debtors over 90 days due, increasing the interest charged on consumer receivables.

75.5 Dividends received:

Immaterial amount.

75.6 Income from agency services:

The main reason for the variance is due to the termination of the service level agreements between the municipal entity and the Southern Free State Local Municipalities resulting in no more agency services being charged to them.

75.7 Service concession arrangements:

The service concession arrangements were budgeted for as part of other income from exchange transactions but remained consistent year to year.

75.8 Commission received:

The variance is due to the increased commission received by the Fresh Produce Market.

75.9 Transport fees:

Less income from tickets sales of IPTN bus services were generated than anticipated.

75.10 Property rates:

The difference is due to a conservative budgeting approach to property rates and new developments and building alterations during the year.

75.11 Interest received from non-exchange transactions:

The variance is due to an increase in accounts receivable from non-exchange transactions, especially on the debtors over 90 days due, resulting in an increase in interest received from non-exchange transactions, which was not anticipated with the budget.

75.12 Fines, penalties and forfeits:

Council approved the write-off of the unallocated or unclaimed deposits of the suspense accounts older than three years. In addition, various sundry accounts were prescribed. These amounts were not budgeted for as they were not anticipated.

75.13 Government grants & subsidies:

The variance is due to funds surrendered to the Treasury and the decreased budget allocations from the Treasury, which was below the expected norm. Additionally, the amount for government grants and subsidies budgeted for includes VAT, while the actual amount recognised for grant revenue excludes VAT.

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75. Budget differences (continued)

75.14 Public contributions and donations:

Immaterial amount.

75.15 Municipal debt relief:

Municipal debt relief was received from Vaal Central Water and Eskom that was not anticipated or budgeted for due to contractual obligations to be met.

75.16 Employee related cost:

The variance is due to annual salary increases, overtime, and leave pay provisions, which were slightly more than anticipated, as well as a larger than initially expected increase of the actuary valuations for the long service award provision and the post employment medical aid obligations.

75.17 Remuneration of councillors:

The variance is due to the less-than-anticipated adjustment of the upper limits of councillors in terms of the SALGA resolution.

75.18 Depreciation and amortisation:

The variance is due to over-estimation of the depreciation and amortisation values, which are influenced by the condition assessment of individual assets at year-end and the revaluation of assets at the end of the prior financial year.

75.19 Finance cost:

The variance is due to an insufficient budget for finance charges on borrowings, trade payables and the employee benefit obligation.

75.20 Debt impairment:

The variance is due to the result of the high rate of uncollectibility of debtors and the unpredictable movement of the consumer debtors' accounts. Additionally, National Treasury requires the budget for debt impairment to be based on an actual collection rate percentage of the total budgeted sales, while the actual value is based on a GRAP compliant debt impairment accounting methodology which tests all consumer debtors individually for potential impairment.

75.21 Bulk purchases:

The variance is due to the high unexpected water losses incurred due to the ageing water infrastructure and the increase demand of water consumption by customers.

75.22 Contracted services:

The variance is attributable to increased costs of services linked to increased fuel prices and the current economic conditions and the implementation and operation of the IPTN bus services.

75.23 Grants, transfers and subsidies:

The variance is due to additional funding that was received to be transferred to Centlec (SOC) Ltd, which was not budgeted for.

75.24 General expenses:

The underspending is linked to the impact of cost containment efforts and enhanced operational efficiency.

75.25 Inventory losses/write-downs:

The conditions that give rise to losses are unpredictable when preparing the budget. The inventory valuation process at year end together with the unpredictable nature of stock adjustments is not taken into account during the budget preparation process.

75.26 Gain on biological assets:

The variance is due to revaluation adjustments and natural attrition of the living resources, which were not budgeted for.

75.27 Remeasurement of provision:

The variance is mainly due to the upward revaluation of the quarries and landfill sites which was not anticipated when the budget was prepared.

75.28 Remeasurements of the net defined benefit liability:

The variance is mainly due to a separate budget not provided for employee benefits.

75.29 Fair value adjustments:

The variance is mainly due to an increase in the valuation of Investment Property, which was not anticipated when the budget was prepared.

75.30 Impairment loss/reversal of impairments:

The entity did not expect to lose any value in assets through impairment and thus did not budget for this type of expenditure, but it is also linked to the inventory valuation process at year end that is not taken into account during the budget preparation process. Other items include the impairment of Property, plant and equipment whose recoverable amounts are not readily available at the time of budget preparation thus are not taken into account.

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75. Budget differences (continued)

75.31 Gain/(loss) on disposal of assets and liabilities:

The large variance is mainly attributed to large volumes of vandalism experienced during the current financial year. These vandalised assets are usually damaged resulting in a lot of them having to be replaced. This in turn results in a larger than anticipated disposal of damaged assets. The proceeds on disposals are unpredictable at the time of preparing the budget. Asset disposals have decreased since the prior year.

75.32 Taxation:

Taxation is influenced by the actual movements in the timing differences that cannot be reliably predicted for budgeting purposes.

Financial Position:

75.33 Current assets:

The variance is less than 10% (but material), but the variance is due to more cash in the bank than anticipated in the budget, together with year end close procedures resulting in less payments being made at month end June 2025. A VAT receivable was also not provided for in the budget process.

Other receivables from exchange transactions - The unpredictable nature of the various line items that make up the total balance makes it impossible to estimate a reasonable and credible budget value for this item.

Regarding inventory, A large volume of high value items were received towards the end of the year resulting in a larger actual balance for inventory than initially budgeted for. Furthermore, the TID rollout required various stock items to be procured resulting in an increased stock volume and value.

Furthermore, the unpredictable nature of the various line items that make up other receivables from exchange transactions makes it impossible to estimate a reasonable and credible budget value for this item.

Finally, the final actual impact of the debt impairment could not have been reliably predicted at the time of preparing the budget thus the reason for the variance in consumer receivables from exchange transactions..

75.34 Non-current assets:

The variance is less than 10% (but material). The budget process is affected by unpredictability in the revaluation of investment property and other property, plant and equipment, landfill sites, and quarries, the timing of asset completion that affects the depreciation charge, and impairment losses.

There was also an underspending of capital grants, and a larger than anticipated taxable loss due to the asset revaluation resulting in a large temporary tax difference.

The increase in intangible assets are attributable to new software procured during the year as well as more licences being maintained and paid than originally budgeted for.

Finally, the variance in other financial assets is attributed to the fact that no budget was prepared for this item as it is a book entry for the arrangement debtors stretching over a period longer than 12 months.

75.35 Current liabilities:

The variance can be attributable to an increase in bulk water purchases, comprising the price per kilo-liter, the increase in quantity, and significant water losses. Additionally, the variance is aligned with the increased contracted services and general expenses and the current portion of provisions and employee benefits is unpredictable at the time of preparing the budget due to estimations.

Additionally, the increase in debt owed to ESKOM was higher than originally budgeted for, and the VAT payable could not be budgeted for due to the nature of the item.

Finally, the variance in consumer deposits is due to consumer deposits being higher than anticipated following the completion of a number of public connections projects. The lower budgeted value was in anticipation of a decrease in deposits due to prepaid meter conversions and customers seeking alternative power solutions.

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75. Budget differences (continued)

75.36 Non-current liabilities:

The variance is due to the budget differences on Freshco and land availability service concessions. Provisions and defined employee benefit liabilities are unpredictable during budget preparation due to the estimations involved.

Additionally, the main reason for the variance in the finance lease obligation is due to entering into new lease agreements in the course of the current financial year.

Finally, the deferred tax final figure is influenced by the actual movements in the timing differences that cannot be reliably predicted.

75.37 Reserves:

The variance is due to the impact of over- and underperformance on revenue and expenditure items, as indicated above under financial performance and financial position. The variance in the revaluation reserve is mainly attributed to the revaluation of infrastructure assets resulting in a large increase in the asset value from the prior year. The adjusted budget did not fully accommodate this increase.

75.38 Cash flow:

The variance is due to the impact of the over and under performance on revenue and expenditure items as indicated above under financial performance and financial position.

76. Change in estimate

Property, plant and equipment

Property, plant and equipment

For the following classes of property, plant and equipment the remaining useful lives were reassessed and revised in terms of GRAP 17. Where the existing remaining useful life did not comply with these parameters, it has been revised to align with the applicable useful life range, or a minimum of three years.

Condition assessments were also performed on the community assets and electricity infrastructure, therefore also a change in estimate effect.

It is impractical to estimate the effect on future periods as the remaining useful lives are reviewed at each reporting date.

The effect of the change has resulted in a change in depreciation as follows:

	Depreciation before change in estimate	Change in depreciation	Depreciation after change in estimate
Community - Landfill sites and quarries	19 395 680	(164 203)	19 231 478
Community - Other	29 483 956	(292 120)	29 191 835
Fleet	42 759 894	(6 895 948)	35 863 946
Infrastructure - Electricity network	234 288 010	61 450 075	295 738 085
Infrastructure - Roads and roads related	248 968 290	43 387 465	292 355 755
Infrastructure - Sanitation network	120 369 682	(23 115 260)	97 254 423
Infrastructure - Water network	72 085 873	(3 439 683)	68 646 190
Intangible assets	17 020 019	(605 985)	16 414 034
Other property, plant and equipment	13 068 403	(2 382 987)	10 685 417
	797 439 807	67 941 354	865 381 163

Controlling entity

Property, plant and equipment

For the following classes of property, plant and equipment the remaining useful lives were adjusted to a minimum remaining useful life of 3 years.

Condition assessments were also performed on the community assets therefore also a change in estimate effect.

It is impractical to estimate the effect on future periods as the remaining useful lives are reviewed at each reporting date.

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76. Change in estimate (continued)

Municipal entity

Property, plant and equipment

New information at the beginning of the financial year indicating that certain items of Property, Plant and Equipment were nearing the end of their originally estimated useful lives, although they remained in use and in working condition. Based on this information, the municipal entity reassessed and revised the remaining useful lives of the affected assets in terms of GRAP 17.

Furthermore, the revised useful lives were assessed against the approved condition-based parameters. Where the existing remaining useful life did not comply with these parameters, it was revised to align with the applicable useful life range.

This revision represents a change in accounting estimate in accordance with GRAP 3 – Accounting Policies, Changes in Accounting Estimates and Errors, and has been applied prospectively from the date the new information became available.

Depreciation expense before remaining useful lives review
Future decrease impact on depreciation due to review

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77. Prior-year adjustments

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

Statement of Financial Position

	Audited 2024	Prior year adjustments	Re-classification	Restated 2024
Assets				
Current assets				
Inventory	647 296 479	(1)	-	647 296 478
Other receivables from exchange transactions	311 098 070	(54 781 599)	-	256 316 471
VAT receivable	176 699 187	11 126 427	(160 282 723)	27 542 891
VAT input tax accrual and provision for VAT impairment	-	(91 793 577)	487 845 661	396 052 084
Total current assets	1 135 093 736	(135 448 750)	327 562 938	1 327 207 924
Non-current assets				
Property, plant and equipment	17 532 262 587	295 649 253	-	17 827 911 840
Intangible assets	185 808 198	323 094	-	186 131 292
Heritage assets	258 244 752	3 496 200	-	261 740 952
Total non-current assets	17 976 315 537	299 468 547	-	18 275 784 084
Total Assets	19 111 409 273	164 019 797	327 562 938	19 602 992 008
Liabilities				
Current liabilities				
Payables from exchange transactions	2 855 936 349	34 493 513	-	2 890 429 862
Payables from non-exchange transactions	172 979 509	(10 560 486)	-	162 419 023
Consumer deposits	192 400 788	4 728	-	192 405 516
VAT payable	252 383 356	-	(252 383 356)	-
VAT output tax accrual	-	-	579 946 294	579 946 294
Total current liabilities	3 473 700 002	23 937 755	327 562 938	3 825 200 695
Total Liabilities	3 473 700 002	23 937 755	327 562 938	3 825 200 695
Net Assets				
Reserves				
Revaluation reserve	4 992 197 745	(727 166)	-	4 991 470 579
Accumulated surplus	12 002 304 257	140 809 209	-	12 143 113 466
Total Net Assets	16 994 502 002	140 082 043	-	17 134 584 045

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77. Prior-year adjustments (continued)

Statement of Financial Performance

	Audited 2024	Prior year adjustments	Re-classification	Restated 2024
Revenue				
Revenue from exchange transactions				
Other income from exchange transactions	50 463 122	849 681	-	51 312 803
Total revenue from exchange transactions	50 463 122	849 681		51 312 803
Revenue from non-exchange transactions				
Transfer revenue				
Living resources	630 600	-	(630 600)	-
Total revenue from non-exchange transactions	630 600	-	(630 600)	-
Expenditure				
Depreciation and amortisation	809 286 733	9 259 921	-	818 546 654
Finance cost	330 589 496	1 047 121	-	331 636 617
Contracted services	718 935 204	61 363 562	-	780 298 766
General expenses	466 818 857	2 174 738	-	468 993 595
Total expenditure	2 325 630 290	73 845 342	-	2 399 475 632
Operating surplus				
Gain on biological assets	-	-	630 600	630 600
Fair value adjustments	3 264 841	549 976	-	3 814 817
Surplus for the year	-	(72 445 685)	-	-

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77. Prior-year adjustments (continued)				
77.1 Accruals				
Contracted services			5 469 698	
VAT receivable			2 827 380	
Payables from exchange transactions			(23 184 314)	
General expenses			2 500 923	
Property, plant and equipment			10 885 656	
Accumulated surplus			1 500 657	
			<u>-</u>	
			<u>-</u>	
Controlling entity: During the year under review, expenditure items that should have been accrued for or reversed in the prior year were identified, as were accruals with incorrect amounts. The errors were subsequently corrected, and the adjustments were made retrospectively to the prior year figures.				
77.2 Consumer deposits				
Consumer deposits			(4 728)	
Accumulated surplus			4 728	
			<u>-</u>	
			<u>-</u>	
Controlling entity: An error was identified between the billing integration reports and the general ledger. A reconciliation was performed and the errors were subsequently corrected. The adjustments were made retrospectively to the prior year figures.				
77.3 Debtors collection commission				
Contracted services			53 856 825	
Other receivables from exchange transactions			(53 856 825)	
			<u>-</u>	
			<u>-</u>	
Controlling entity: This adjustment was to correctly account for the commission on debt collection services performed. The adjustment was made retrospectively to the prior year figures.				
77.4 Expenditure capitalised which should have been expensed				
Depreciation and amortisation			(14 553)	
Property, plant and equipment			(337 948)	
Accumulated surplus			352 501	
			<u>-</u>	
			<u>-</u>	
Controlling entity: During the year under review, certain expenditure items were identified which were incorrectly capitalised in the prior year. The population was revisited to determine the full extent. The adjustments were made retrospectively to the prior year figures.				
77.5 Fleet written off				
Depreciation and amortisation			(96 701)	
Property, plant and equipment			(1 696 393)	
Accumulated surplus			1 793 094	
			<u>-</u>	
			<u>-</u>	
Controlling entity: During the year under review, certain fleet was identified that had to be written-off. The adjustments were made retrospectively to the prior year figures.				

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77. Prior-year adjustments (continued)

77.6 Intangible assets

Depreciation and amortisation	(93 028)
Intangible assets	(818 164)
Accumulated surplus	911 192
	-

Controlling entity: During the year under review, certain items of intangible assets in the intangible asset register could not be verified and were subsequently corrected. The adjustments were made retrospectively to the prior year figures.

77.7 Legal cases

Contracted services	1 438 518
Other receivables from exchange transactions	(924 774)
VAT receivable	373 595
Payables from exchange transactions	(14 350 958)
Finance cost	1 047 121
Accumulated surplus	12 416 498
	-

Controlling entity: During the year under review, certain expenditure items relating to legal cases were paid, however the amounts paid relate to prior year legal costs and their respective splits. The adjustments were made retrospectively to the prior year figures.

77.8 Rollup of votes (Centlec intercompany telephone expense)

Centlec intercompany loan	348 272
Telephone and fax	(348 272)
	-

Controlling entity: At the end of the prior year audit, certain adjustments were not effected in the prior year general ledger, before the system closure. This adjustment aims to correct the rollup of the votes on the Solar system.

77.9 Staff recoveries

Payables from exchange transactions	2 711 900
Sundry income	(849 681)
Accumulated surplus	(1 862 219)
	-

Controlling entity: During the year under review, it has been identified that certain staff recoveries have been incorrectly accounted for, and has subsequently been correctly reallocated. The adjustments were made retrospectively to the prior year figures.

77.10 Unallocated deposits

Payables from non-exchange transactions	10 560 486
Accumulated surplus	(10 560 486)
	-

Controlling entity: During the year under review, certain deposits which previously were unallocated have been substantiated and properly accounted for. The adjustments were made retrospectively to the prior year figures.

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77. Prior-year adjustments (continued)

77.11 Unbundling of Property, plant and equipment

Depreciation and amortisation	4 192
Property, plant and equipment	545 783
Fair value adjustments	(549 975)
	-

Controlling entity: During the year under review, certain assets were unbundled. The population was revised to determine the full extent. The adjustments were made retrospectively to the prior year figures.

77.12 VAT apportionment

Contracted services	598 522
Inventory	(2)
VAT receivable	7 925 452
Depreciation and amortisation	12 697
General expenses	1 042 011
Property, plant and equipment	573 870
Accumulated surplus	(10 152 550)
	-

Controlling entity: The VAT apportionment was revisited and, due to the change in the apportionment percentage, certain expenditure items were subsequently corrected. The adjustments were made retrospectively to the prior year figures.

77.13 Work in progress correction

Property, plant and equipment	(168 969)
Payables from exchange transactions	168 969
	-

Controlling entity: During the year under review, it was identified that a payment certificate's retention amount should have been adjusted for in the prior year, and should not have remained in work in progress. The adjustment was made retrospectively to the prior year figures.

77.14 Intangible assets

Intangible assets	1 141 258
General expenses	(1 207 304)
Depreciation and amortisation	66 046
	-

Economic entity: During the period under review it was identified that there was license fees relating to the 2023/24 financial year which was incorrectly expensed instead of being capitalised as Intangible assets. A correction was made and the comparative statements for the 2023/24 financial year have been restated.

77.15 Uncapitalised infrastructure assets

Property, plant and equipment	342 356 076
Depreciation and amortisation	9 381 269
Accumulated surplus	(351 737 345)
	-

Economic entity: During the period under review it was identified during the infrastructure revaluation process that there were certain assets incorrectly included in the fixed asset register which fell outside the boundaries of the municipal entity's service area. Furthermore, it was found that there were other infrastructure related assets not capitalized and not included on the fixed asset register relating to the comparative and prior financial years. A correction was made and the comparative statements for the 2023/24 and prior financial years have been restated.

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77. Prior-year adjustments (continued)

77.16 Gain on biological assets

Living resources				(630 600)
Gain on biological assets				630 600
				<u>-</u>

Controlling entity: During the year under review, it was identified that gains on living resources should have been disclosed under gain on biological assets rather than transfer revenue on the statement of financial position. The reclassification was made retrospectively to the prior year figures.

77.17 Hillside View WIP

Property, plant and equipment				(53 681 824)
Accumulated surplus				53 681 824
				<u>-</u>

Controlling entity: During the year under review, it was identified that the provision raised for the development of Hillside View should have been reversed. The adjustments were made retrospectively to the prior year figures.

77.18 Heritage assets

Property, plant and equipment				(2 827 000)
Heritage assets				3 496 200
Revaluation reserve				727 166
Accumulated surplus				(1 396 366)
				<u>-</u>

Controlling entity: During the year under review, it was identified that certain cemeteries have been accounted for as land, but should be classified as heritage assets. The adjustments were made retrospectively to the prior year figures.

77.19 VAT take on balances

VAT input tax accrual and provision for VAT impairment				(91 793 577)
Accumulated surplus				91 793 577
				<u>-</u>

Controlling entity: During the year under review, it was identified that certain balances relating to VAT could not be substantiated, as it relates to take on balances when moving from the old system to Solar in the 2017/2018 financial year. The adjustments were made retrospectively to the prior year figures.

77.20 VAT classification

VAT input tax accrual and provision for VAT impairment				487 845 661
VAT receivable				(160 282 723)
VAT output tax accrual				(579 946 294)
VAT payable				252 383 356
				<u>-</u>

Controlling entity: During the year under review, it was identified that VAT was incorrectly classified in accordance with GRAP. The reclassification was made retrospectively to the prior year figures.

77.21 Government grants

Government grants and subsidies				36 045 997
Government grants and subsidies				(36 045 997)
				<u>-</u>

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

77. Prior-year adjustments (continued)

Controlling entity: During the year under review, it was identified that the Public Transport Network Grant was incorrectly disclosed between operational and capital. The reclassification was made retrospectively to the prior year figures.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

78. Segment information

General information

Identification of segments

The municipality considers internal sources of information in identifying reportable segments. These include the IDP, SDBIP, Budget and monthly and quarterly reporting.

For management purposes, the municipality is organised and operates in eight key functional segments (or business units) as well as governance and administration units. To this end, management monitors the operating results of these segments for the purpose of making decisions about resource allocations and assessment of performance. Segments were aggregated for reporting purposes.

Revenue and expenditure relate to segments are allocated at a transactional level.

Aggregated segments

The municipality operates throughout the Free State Province. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout the Free State were sufficiently similar to warrant aggregation.

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any):

Types of goods and/or services by segment

The eight key functional segments comprise of:

Electricity

The principal activity of the municipal entity, Centlec (SOC) Ltd, is the distribution of electricity to industries, businesses and households mainly in the Mangaung and Southern Free state area.

Finance

Finance department is charged with the responsibility of budget and treasury. It is also responsible for the financial wellness of the city including generating revenue and billing, maintaining financial records, financial reporting and encourages responsible spending in terms of relevant legislations. It incorporates organisational billing process and generates tax revenue such as property rates and other tax.

Water Services

Municipality provides water as one of the basic services to the community. This is one of main revenue stream of the municipality billed on a monthly basis in some cases when used. There is availability charge and additionally billing based on usage (pre-paid water or conventional meters billed monthly).

Waste Water and Sanitation Services

Municipality provides sewer systems for residents, businesses and government as one of the basic services. This is one of main revenue stream of the municipality billed on a monthly basis in on the bases of property value.

Human Settlements and Rural Development

The directorate is charged with the responsibility of developing and providing housing and dwellings for the residents of the city. Funding is generated mainly through grants and internally generated revenue.

Road and Infrastructure

The department is charged with developing and maintaining strategic infrastructure that mainly provides service delivery (e.g. Roads, Water, Sewer, Refuse, etc.). Revenue is mainly generated through Grants.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

78. Segment information (continued)

Community Services and Public Safety

The department is charged with the responsibility of improving the well-being of every individual in society so they can reach their full potential. Social development means investing in people (e.g. maintaining of parks, Zoo and museums, interactions, wellness and health).

Public Safety is charged with the responsibility of keeping order in the city and ensuring compliance with relevant legislation (e.g. Criminal Procedures act). Public Safety includes traffic department and law enforcement. Social and Public Safety includes the Mangaung Metro Unit.

Refuse Removal Services

Municipality provides Refuse collections as one of the basic services to the community. This is one of main revenue stream of the municipality billed on a monthly basis in some cases when provided. Refuse removal is billed based on the nature of collections, business, government, complex or residential.

Public Transport (IPTN)

Public transport network, is a transport management system developed by the municipality to assist the city in improving the means of transport and the traffic flow within the municipality.

Other units:

The following non-economic units (i.e. indirectly responsible for service delivery) are aggregated and included in the segment report for purpose of disclosing the reconciliation of the information in the segment report to the financial statements.

Governance and Administration

Support and administration are obtained from corporate services, office of the City Manager, Political offices, economical and rural development, Town planning and similar functions. Ensuring that structures and governance processes are in place and aligned to achieve the strategic objectives of the municipality in line with the relevant legislations. It also ensures that citizens are given sufficient information, opportunity and encouragement to participate in and influence the affairs of the municipality.

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand

78. Segment information (continued)

Segment surplus or deficit, assets and liabilities

Controlling entity - 2025

	Finance	Water Services	Waste Water and Sanitation Services	Human Settlements and Rural Development	Road and Infrastructure	Community Services and Public Safety	Refuse Removal Services	Public Transport (PTN)	Electricity (Centlec)	Total
Revenue										
Revenue from exchange transactions	8 478 106	1 518 801 599	530 055 676	50 376 253	15 837 467	12 059 307	190 519 856	14 138 795	3 438 803 262	5 779 070 321
Revenue from non-exchange transactions	3 584 484 303	378 998 228	166 181 492	-	-	339 610 655	-	-	142 412 897	4 611 687 575
Interest revenue	311 184 465	423 267 592	116 901 151	-	-	-	53 213 557	-	44 876 947	949 443 712
Total segment revenue	3 904 146 874	2 321 067 419	813 138 319	50 376 253	15 837 467	351 669 962	243 733 413	14 138 795	3 626 093 106	11 340 201 608
Entity's revenue										11 340 201 608
Expenditure										
Employee related costs	240 574 806	151 164 550	133 588 858	95 451 217	133 786 818	703 664 079	12 821 076	15 389 400	561 407 990	2 047 848 794
Depreciation and amortisation	11 734 782	84 621 970	97 312 739	-	331 273 566	47 649 433	-	-	311 881 362	884 473 852
Finance costs	108 493 870	-	22 278 073	-	-	-	-	-	58 228 792	189 000 735
Debt impairment	442 817 734	1 252 889 078	246 011 778	32 878 698	-	7 580 075	102 927 265	-	103 138 123	2 188 242 751
General expenditure	95 584 103	6 696 382	559 967	20 413 471	49 096 102	24 112 908	(1 277 083)	872 431	244 181 703	440 239 984
Bulk purchases	-	987 832 264	-	-	-	5 515 877	-	-	2 750 467 986	3 743 816 127
Contracted services	80 760 979	99 576 351	128 199 694	11 057 226	37 402 134	165 027 654	-	64 053 490	149 490 319	735 567 847
Gains and losses	10 938 593	31 752 972	26 098 989	(13 533 379)	251 044	16 837 821	3 390 687	-	32 849 193	108 585 920
Taxation	-	-	-	-	-	-	-	-	(161 770 714)	(161 770 714)
Total segment expenditure	990 904 867	2 614 533 567	654 050 098	146 267 233	551 809 664	970 387 847	117 861 945	80 315 321	4 049 874 754	10 176 005 296
Total segmental surplus/(deficit)	2 913 242 007	(293 466 148)	159 088 221	(95 890 980)	(535 972 197)	(618 717 885)	125 871 468	(66 176 526)	(423 781 648)	1 164 196 312
Add: Governance and administration										(901 810 446)
Entity's surplus (deficit) for the period										262 385 866

Mangaung Metropolitan Municipality Group

Consolidated Annual Financial Statements for the year ended 30 June 2025

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78. Segment information (continued)

Controlling entity - 2024

	Finance	Water Services	Waste Water and Sanitation Services	Human Settlements and Rural Development	Road and Infrastructure	Community Services and Public Safety	Refuse Removal Services	Public Transport (PTTN)	Electricity (Centelec)	Total
Revenue										
Revenue from exchange transactions	8 491 109	1 267 373 127	475 633 599	49 257 153	15 837 467	9 841 688	182 417 091	-	3 120 941 968	5 129 793 202
Revenue from non-exchange transactions	2 915 914 788	354 352 180	154 794 246	-	-	307 715 492	-	-	3 739 235	3 736 515 941
Interest revenue	258 459 650	375 479 382	102 444 308	-	-	-	47 793 605	-	41 458 311	825 635 256
Total segment revenue	3 182 865 547	1 997 204 689	732 872 153	49 257 153	15 837 467	317 557 180	230 210 696	-	3 166 139 514	9 691 944 399
Entity's revenue										9 691 944 399
Expenditure										
Employee related costs	224 627 250	144 384 393	123 156 520	94 025 320	132 507 359	653 583 041	9 472 953	15 761 309	511 031 453	1 908 549 598
Depreciation and amortisation	10 103 354	85 981 229	119 980 592	-	279 288 780	43 253 170	(29 719)	-	238 761 020	777 338 426
Finance costs	113 391 521	-	35 693 363	-	-	-	-	-	23 064 478	172 149 362
Debt impairment	324 637 931	826 411 965	34 727 032	37 602 766	-	7 619 996	295 944 898	-	68 360 237	1 595 304 825
General expenditure	95 492 662	1 408 693	3 742 070	12 386 053	53 581 475	27 732 370	(1 267 435)	237 599	205 532 050	398 845 537
Bulk purchases	-	910 222 228	-	-	-	4 371 524	-	-	2 470 251 136	3 384 844 888
Contracted services	74 193 552	49 372 195	117 675 983	22 353 450	56 246 196	222 874 543	-	22 049 154	133 093 362	697 858 435
Gains and losses	1 850 146	14 169 662	-	(3 241 585)	9 569 623	49 071 634	-	-	967 686	72 387 166
Taxation	-	-	-	-	-	-	-	-	(141 611 052)	(141 611 052)
Total segment expenditure	844 296 416	2 031 950 365	434 975 560	163 126 004	531 193 433	1 008 506 278	304 120 697	38 048 062	3 509 450 370	8 865 667 185
Total segmental surplus/(deficit)	2 338 569 131	(34 745 676)	297 896 593	(113 868 851)	(515 355 966)	(690 949 098)	(73 910 001)	(38 048 062)	(343 310 856)	826 277 214
Add: Governance and administration										(741 145 372)
Entity's surplus (deficit) for the period										85 131 842

Mangaung Metropolitan Municipality

Appendix A to the Annual Financial Statements for the year ended 30 June 2025

Councillors' arrears consumer accounts (over 90 days)

Surname & Initials	July 24	August 24	September 24	October 24	November 24	December 24	January 25	February 25	March 25	April 25	May 25	June 25
Banyane Z N	42 689	42 978	43 293	43 668	44 071	44 475	44 875	45 275	45 671	46 067	46 459	46 852
Bothma AF	-	7 017	6 923	6 923	3 815	4 467	-	-	-	-	-	-
Bouwer CL	15 184	14 594	12 985	12 112	10 238	8 365	6 492	4 619	2 745	872	-	-
De Bruin J M	123 875	126 258	128 639	131 137	133 632	136 142	138 465	140 791	143 121	145 452	147 776	150 155
De-huis D J	8 501	8 786	9 075	9 386	9 701	10 017	10 335	10 655	10 975	10 997	10 420	10 846
Denner JH	2 612	2 629	2 646	2 662	2 678	2 694	2 711	2 726	2 742	2 758	2 773	2 789
Dinithwane M A	25 287	25 763	26 241	26 727	27 215	27 706	28 196	28 688	29 180	29 674	30 166	30 661
Hashatsi R	75 327	76 214	77 148	78 143	79 156	80 133	81 120	82 111	83 084	84 063	85 008	85 986
Jonas-Malephane V E	5 767	5 139	6 008	6 923	6 597	6 271	5 945	5 619	5 284	5 275	4 633	4 605
Klaassen R S	32	33	33	33	33	33	33	33	34	34	34	34
Kotze P M	1 280	-	-	1 417	1 813	1 213	1 617	2 014	1 415	1 310	1 708	1 101
Kruger C L	412 650	422 159	431 999	436 109	445 932	455 866	465 731	475 654	480 716	490 086	491 019	501 291
Lekgetho L W	75 979	77 357	78 782	80 225	81 676	83 150	84 620	86 085	87 519	89 015	90 494	91 967
Lekwele M J	9 561	9 722	9 884	10 092	10 273	10 456	7 172	7 272	7 318	7 360	7 456	7 510
Letawana M M	84 621	75 438	76 165	60 528	47 692	37 223	28 508	25 077	18 977	17 413	10 551	10 551
Mabena M J	-	32 481	30 768	30 893	33 083	33 083	33 457	33 871	29 853	31 943	-	-
Makau PE	102 785	102 611	101 967	101 752	101 529	101 270	100 026	98 794	97 560	97 835	95 654	95 654
Matobole M A	97 870	80 552	81 715	82 916	98 516	95 304	93 082	89 305	85 528	85 528	78 001	78 001
Maliela M E	403 972	407 352	410 182	413 086	412 704	412 793	413 231	413 348	409 937	409 937	403 319	403 319
Mathe L J	90 518	93 149	95 785	90 089	92 875	95 682	97 427	99 129	101 044	103 854	106 660	109 535
Matsephe D E	9 357	9 599	9 837	10 091	10 343	10 597	10 680	10 765	10 680	10 680	9 505	9 505
Matsoho M F	9 187	9 253	11 077	11 317	10 959	11 213	11 339	11 411	11 477	11 585	11 719	11 674
Menyatso T V	-	-	-	2 374	2 440	2 505	2 577	2 643	2 715	2 780	-	-
Mohatlle M S	119 382	121 850	124 335	126 930	129 540	132 168	134 791	137 432	140 067	142 719	145 365	148 027
Mohibidu P M	68 217	67 489	66 775	67 114	67 535	69 061	70 258	69 758	69 258	69 258	68 258	68 258
Mohono T A	12 446	13 319	13 457	13 537	13 672	13 807	14 040	14 269	14 502	14 732	14 961	15 205
Mohulatsi M M	9 102	9 767	10 424	37 535	38 238	38 942	40 105	41 250	32 188	33 332	-	-
Mokgothu T K W	58 871	60 062	61 254	62 508	63 762	65 025	66 292	67 560	68 832	70 105	71 376	72 674
Mokoena J I	42 258	41 596	40 527	40 527	40 527	40 527	40 527	40 527	40 527	40 527	40 527	40 527
Mongale M W	42 058	40 162	42 117	42 774	44 327	45 101	45 499	46 174	46 847	47 744	48 429	49 133
Moreeng K C	3 145	3 157	3 170	3 182	3 195	3 207	3 219	3 231	3 243	3 255	3 267	3 279
Mosala M T	119 137	120 831	122 062	123 333	124 610	125 892	127 163	128 439	128 804	130 174	129 532	130 896
Mothupi M L	7 651	7 818	7 811	7 888	7 966	7 988	8 092	8 182	8 257	8 333	8 380	8 456
Nhlapo N A	5 867	6 379	6 882	6 007	5 131	4 256	3 381	2 505	1 630	1 630	-	-
Nikelo V E	6 952	7 017	7 055	7 121	7 173	7 240	7 292	5 816	4 382	4 447	1 642	1 612
Njiva-Lebaloa M	55 515	56 763	57 921	59 122	60 331	61 549	62 617	63 593	63 768	64 852	64 182	65 519
Nthatisi G M S	312 396	222 151	217 622	215 132	209 274	198 049	198 049	195 560	186 903	186 903	173 721	173 721
Nyaphudi L J	192 012	195 365	195 895	195 681	199 665	174 494	171 874	171 309	163 014	163 014	158 461	154 774
Pretorius S	21 405	19 167	16 954	14 847	12 717	15 378	13 988	13 988	15 658	13 988	13 988	13 988
Ramatlana M J	44 900	46 144	46 667	47 606	48 541	50 038	51 459	52 423	52 246	54 256	53 223	53 963
Ramille T K	-	-	-	12 452	12 579	12 797	12 938	13 081	13 222	13 264	13 505	13 647
Ramolelle M S	3 758	4 564	4 475	6 162	6 945	7 456	8 061	8 843	6 496	7 679	-	-
Sefaki S	6 236	6 384	6 433	6 488	6 494	6 500	6 492	6 484	6 125	6 266	5 405	1 492
Sehloho S C	19 235	22 360	25 597	26 455	26 046	26 486	26 717	27 044	27 284	27 573	26 858	27 144

Mangaung Metropolitan Municipality

Appendix A to the Annual Financial Statements for the year ended 30 June 2025

Councillors' arrear consumer accounts (over 90 days) (continued)

Surname & Initials	July 24	August 24	September 24	October 24	November 24	December 24	January 25	February 25	March 25	April 25	May 25	June 25
Setlai T L	-	-	-	-	-	-	848	-	-	-	-	-
Shale N R	39 794	40 454	41 118	41 537	42 230	42 926	43 606	44 603	45 602	46 603	47 604	48 624
Soqaga V S	3 856	3 505	3 153	2 802	2 451	2 099	1 748	408	408	408	408	408
Supi M H	143 386	145 080	146 782	148 525	150 277	152 036	153 785	155 542	157 289	159 042	160 785	162 535
Swartz SM	-	-	-	-	-	-	-	-	229 810	232 156	234 720	237 170
Tshwane K D	4 629	4 667	4 690	4 729	4 754	4 820	4 858	4 924	4 962	4 974	5 081	5 119
Tsoleli S P	-	-	-	-	-	-	-	-	-	4 650	5 052	14 604
Tukula T D	58 086	318 544	319 435	320 361	321 292	322 228	323 161	324 099	325 033	325 972	67 335	68 275
Van Der Ross KE	8 487	9 533	-	-	-	-	-	-	-	-	-	-
Viviers BJ	434	1 372	2 666	1 036	3 419	3 946	3 549	5 325	4 324	3 455	3 031	3 478
Total	3 006 267	3 217 566	3 247 521	3 289 997	3 319 662	3 310 305	3 312 050	3 328 257	3 526 187	3 567 199	3 198 452	3 234 563

Mangaung Metropolitan Municipality

Appendix A to the Annual Financial Statements for the year ended 30 June 2024

Councillors' arrear consumer accounts (over 90 days)

Surname & Initials	July 23	August 23	September 23	October 23	November 23	December 23	January 24	February 24	March 24	April 24	May 24	June 24
Bouwer CL	-	-	-	-	-	-	-	16 807	18 037	19 277	17 525	15 784
De Kock V B	-	-	-	-	-	-	-	-	-	-	1 749	-
Denner JH	2 412	2 429	2 446	2 462	2 479	2 496	2 512	2 529	2 546	2 562	2 579	2 596
Jonas-Malephane V E	1 929	3 007	4 095	5 252	5 293	4 218	4 961	5 036	5 111	5 175	4 872	4 569
Kruger C L	160 332	162 691	165 107	167 603	170 118	172 645	163 367	160 374	157 101	154 947	151 479	153 988
Letawana M M	51 728	57 342	58 678	64 682	70 767	82 835	86 994	93 368	99 216	106 986	97 184	87 852
Makau PE	106 475	105 925	105 413	105 953	105 524	104 124	104 389	104 047	103 744	103 456	103 207	102 987
Maliela M E	82 584	83 769	84 981	86 238	87 502	88 773	90 051	91 336	92 628	93 928	95 235	96 549
Matsotllane M J	1 981	2 044	2 101	2 165	2 226	3 138	514	1 226	1 949	8 836	8 539	7 227
Matsoso MF	9 217	9 359	9 499	9 645	9 790	9 936	10 059	10 184	9 116	9 241	8 888	9 124
Mohatlle M S	91 173	93 348	95 568	97 879	100 205	102 546	104 903	107 277	109 666	112 071	114 492	116 929
Mohibidu P M	49 881	51 483	53 114	54 824	56 546	58 281	60 029	61 789	63 562	65 347	67 146	68 957
Mokoena J I	45 697	44 592	45 968	47 429	40 527	40 585	42 065	43 560	44 970	44 270	43 584	42 914
Nihatisi GMS	73 402	74 256	75 114	75 996	76 933	77 878	79 143	80 402	81 686	82 967	81 994	81 061
Nyaphudi L J	170 687	173 441	176 254	179 150	182 091	185 048	188 175	191 313	186 544	189 718	183 672	193 675
Pretorius J C	11 770	14 187	16 632	-	-	-	2 677	5 140	-	-	-	-
Pretorius S	6 887	6 149	7 757	12 313	12 921	15 531	18 165	15 825	18 510	21 221	23 956	26 668
Rasoeu	584	584	584	584	584	584	584	584	584	584	584	584
Soqaga V S	8 072	7 721	7 369	7 369	6 667	6 315	6 315	5 613	5 261	4 910	4 559	4 207
Van Der Ross KE	8 103	9 064	10 036	11 066	12 105	13 153	14 211	15 278	13 715	12 162	10 618	9 083
Viviers BJ	4 574	3 431	(1 307)	1 396	796	901	1 300	1 081	3 397	1 198	348	1 099
Tsoleli SP	-	-	-	-	-	-	-	14	39	-	-	-
Nhlapo N A	-	-	-	-	-	1 844	3 135	4 445	5 768	7 104	6 229	5 368
Total	887 488	904 820	919 409	932 006	943 072	970 830	983 551	1 017 228	1 023 152	1 045 961	1 028 439	1 031 220

Mangaung Metropolitan Municipality Group

Appendix B to the Consolidated Annual Financial Statements for the year ended 30 June 2025

Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003

Name of grants	Name of organ of state/municipal entity	Quarterly Receipts				Quarterly Expenditure				Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Finance Management grant	National	-	2 000 000	-	-	91 800	71 400	61 200	1 514 900	Yes
Fuel levy	National	147 881 000	147 881 000	147 881 000	-	110 910 750	110 910 750	110 910 750	110 910 750	Yes
Urban Settlements Development Grant	National	148 571 000	-	317 040 000	-	44 756 043	98 903 204	72 130 815	249 820 938	Yes
							9 512 045	4 117 048	7 930 073	
							856 240	7 858 350	34 650 669	
							-	537 786	6 128 809	
							442 643	4 878 063	69 002 660	
							38 880 467	47 730 930	111 575 421	
							4 576 693	(725 391)	20 533 307	
Informal Settlements Upgrading Partnership Grant	National	85 500 000	115 701 000	31 743 000	-	18 385 178	48 501 357	39 951 469	77 095 126	Yes
							(6 071 774)	21 387 774	59 566 321	
							1 572 140	7 097 823	8 504 536	
							3 142 892	19 745 661	14 422 866	
							19 741 920	270 089	(5 398 597)	
Expanded Public Works Programme Integrated Grant	National	460 000	827 000	552 000	-	137 609	547 282	604 550	549 559	Yes
Department of Sports, Arts and Culture - Admin Libraries Grant	National	-	-	-	4 000 000	-	196 769	2 579 062	202 609	Yes
							-	826 893	202 609	
							-	196 769	-	
Neighbourhood Development Partnership Grant	National	17 554 000	13 982 000	8 506 000	(2 000 000)	1 754 169	6 840 184	9 760 784	21 686 863	Yes
							-	-	12 471 531	
							1 754 169	6 840 184	9 215 332	
Programme and Project Preparation Support Grant	National	2 000 000	6 000 000	2 000 000	-	-	-	1 366 226	2 960 521	Yes
Public Transport Network Grant	National	90 673 000	-	77 013 000	-	15 001 132	21 705 297	15 636 383	21 975 233	Yes
							10 250	12 211	10 032	
							14 990 882	21 693 086	15 626 351	
							-	-	21 690 435	
							-	-	274 870	
Human Settlements Provincial Grant	National	-	-	-	-	-	-	-	384 543	Yes
							-	-	334 385	
							-	-	50 158	
Local Government Sector Education and Training Authority Grant	National	2 595 596	(1 162 819)	40 000	2 047 755	89 385	639 433	481 607	149 940	Yes
							89 385	639 433	93 330	
							-	-	481 607	
							-	-	56 610	



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