

# CENTRAL KAROO DISTRICT MUNICIPALITY



## DRAFT ANNUAL REPORT 2024/25

“WORKING TOGETHER IN DEVELOPMENT AND GROWTH”

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## COMPONENT A: MAYOR'S FOREWORD

It is a great honour and privilege to me to present this last Annual Report for the 6th administration of the Central Karoo District Municipality to all our communities, stakeholders and other role-players. Our term has been characterised by many challenges but as the nation and country we were able to overcome most of them. The post Covid-19 pandemic period has been very challenging whilst at the same time it opened new opportunities and forced us into doing things differently and we have since never looked back. Innovation and new ways of doing things have become an integral part of doing business across all sectors including public sector. What also became paramount was for all of us to put to the fore risk management to ensure business continuity irrespective of the circumstances.

I am pleased to report that despite various challenges, on the part of the Council of the Municipality, we were able during the period under review to put measures and systems in place to ensure stability and proper governance of the Municipality moving forward. What remains a challenge is the required turnaround with regard to the finances and to ensure that the Municipality is able to provide additional services as mandated by the Constitution beyond the discontinuation of the memorandum of agreement with the Provincial Department of Infrastructure in terms of which the Municipality was providing roads function. This arrangement has been one of the mainstays of the Municipality in terms of the revenue for many years. The discontinuation and recall of the function by the Department has forced us to review and relook our service delivery model. The second challenge requiring the turnaround and our attention in the high staff turnover due to various factors. What we need to guard against is for CKDM to let go of its personnel easily and thereby becoming a training ground for other municipalities and institutions.

We have also ensured that we brought stability in the municipality and one of the achievements was the appointment of the executive management of the municipality. The long standing challenge that has grabbed the attention is the ongoing litigation regarding the position of the municipal manager. Council is dealing with the matter and we hope that it will reach finality to bring more stability in the institution. Overall, personnel and staffing issues remain one of the big challenges as alluded to earlier due to the staff turnover. We will strive to ensure that we create a conducive work environment with the aim of retaining our staff for longer and ensuring that they are all happy and productive.

### Highlights

- In terms of the financial health of the municipality, there have been serious challenges but we can report the following positives, namely,
- In terms of cost coverage or monthly fixed operating expenditure we remain at one month as in the previous reporting period.
- In terms of the percentage of a municipality's capital budget actually spent on capital projects identified in the IDP for the period under review, our expenditure increased from 46% to 60%.
- The municipality was able to maintain an unqualified audit outcome.

In terms of the governance of the municipality, there have been serious challenges but we can report the following positives, namely,

- All governance structures and committees have been put in place and were fully functional and sitting as per the schedules with all councillors and executives in attendance. Very few exceptions were noted.
- All our councillors participated in various intergovernmental structures and where they made meaningful contributions.
- Compliance and reporting requirements were adhered to, including approvals of the various reports, IDP and budget related matters.
- The municipality continued to put measures in place that yielded positive outcomes to detect and prevent fraud and corruption.
- Audit committee met regularly and submitted valuable reports with positive recommendations to Council. We hope they continue in this vein and that both council and the administration take seriously their recommendations.



## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

I am deeply honoured to submit and present the Annual Report for the municipality for the preceding year that was filled with great expectations, energy, challenges and hard work on the part of the team. What the team and municipality has done was to ensure that the people of the District and other customers, including the B Municipalities that we serve receive quality services from us. We are therefore please to account and report on the use of resources that were allocated to us.

Firstly, the municipality was able to maintain a positive and promising audit outcomes of unqualified audit opinion for the fourth year in the row. We are striving very hard and commit to ensure that all issues identified and highlighted by the Audit General and the Audit Committee as requiring attention will be looked into to ensure that moving forward, we achieve the clean audit. Through the hard work of everyone and attention to details, that is achievable.

In this Annual Report, we provide a concise and accurate outcomes on the performance of the Municipality and its departments under the supervision and control of the Municipal Council whose mandate is to give direction, strategic leadership and as the final decision-making body. Council sat regularly and took valuable decisions and all of them were implemented. Regular monitoring and reporting on progress on implementation of the decisions took place under the guidance and supervision of both the Speaker and Executive Mayor on the one side and the Municipal Manager and Directors on the other.

Despite numerous challenges caused mainly by the limited revenue and income, the municipality was able to implement and achieve at least 60% expenditure on capital budget. Various challenges including the SCM delays led to this problem. Most of the problems were addressed and we do not anticipate the repeat in the coming financial year. The most important intervention in this regard was to ensure institutional stability by filling of critical positions, such as the Chief Financial Officer and other senior managers.

We are further pleased to report that in terms of service delivery, the Municipality has achieved 85.2% on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP). We have also received a 66% on capital expenditure of the budget. These two milestones mark a significant progress in improving service delivery.

On good governance, we can report that CKDM has a stable and functional Council and Committees system and sit regularly to receive reports and to make decisions. In addition, the following oversight structures are in place, namely, Fraud and Risk Management Committee (FARMCO), Internal Audit Committee and MPAC. These oversight structures are empowered to perform their duties by amongst others the following policy framework, i.e., Fraud and Risk Management Committee Charter, Fraud and Risk Management Policy, Anti-Corruption and Fraud Prevention Policy and the Audit Committee Terms of Reference. These structures too sit regularly to process reports and provide feedback on detected potential risks and how those must be addressed.

On intergovernmental relations and cooperation with other partners, especially the B Municipalities and the Province, CKDM has demonstrated its commitment by continuing to ensure amongst others the functionality of both the District Coordinating Forum (DCF), Technical District Coordinating Forum (DCF Tech), active participation in the PCF, SALGA structures and working groups. On the Shared Services programs, CKDM continues to keep its end on the bargain on the established and agreed upon programs including Labour Relations, Legal Services and TASK. We will soon be engaging other stakeholders to ensure the expansion of the program.





## 1.2 MUNICIPAL OVERVIEW

This report examines the performance of the Central Karoo District Municipality (CKDM) in the Western Cape, with regard to its core legislative responsibilities. Local government must establish a participatory framework that defines and strengthens the relationship between elected leaders and their communities. This necessitates that the Municipal Council provide regular and predictable reporting on program performance and the overall state of affairs in their locality.

The 2024/25 Annual Report reflects on the performance of the Central Karoo District Municipality for the period from 1 July 2024 to 30 June 2025. The report is prepared in accordance with Section 121(1) of the MFMA, which requires the Municipality to prepare an annual report for each financial year.

### 1.2.1 VISION AND MISSION

The Municipality committed itself to the vision and mission of:

#### Vision:

*“Working Together in Development and Growth”*

#### Mission:

*“Central Karoo a place where we envisage and ensure economic growth, social development and sustainability whilst maintaining its rural character, embracing and developing the diversity of its communities.”*

## 1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.3.1 POPULATION

#### a) Population

The district has a total population of 77 883 according to the Local Government Socio-Economic Profile of 2024. The following table shows the overall population and the total number of households within each municipality in the district:

MUNICIPALITY	NUMBER OF HOUSEHOLDS	TOTAL POPULATION
Beaufort West	13 715	52 667
Laingsburg	2 688	9 827
Prince Albert	4 035	15 389

Table 1: Overview of the population in the district

#### b) Key economic activities

As per the figure below, the major sectors in Central Karoo are Agriculture and Mining (primary sector), Manufacturing, Electricity and Construction (secondary sector), and trade, transport, finance, and government services as the tertiary sector.



## GDPR PERFORMANCE PER SECTOR: CENTRAL KAROO DISTRICT

GDPR performance per municipal area: Central Karoo District

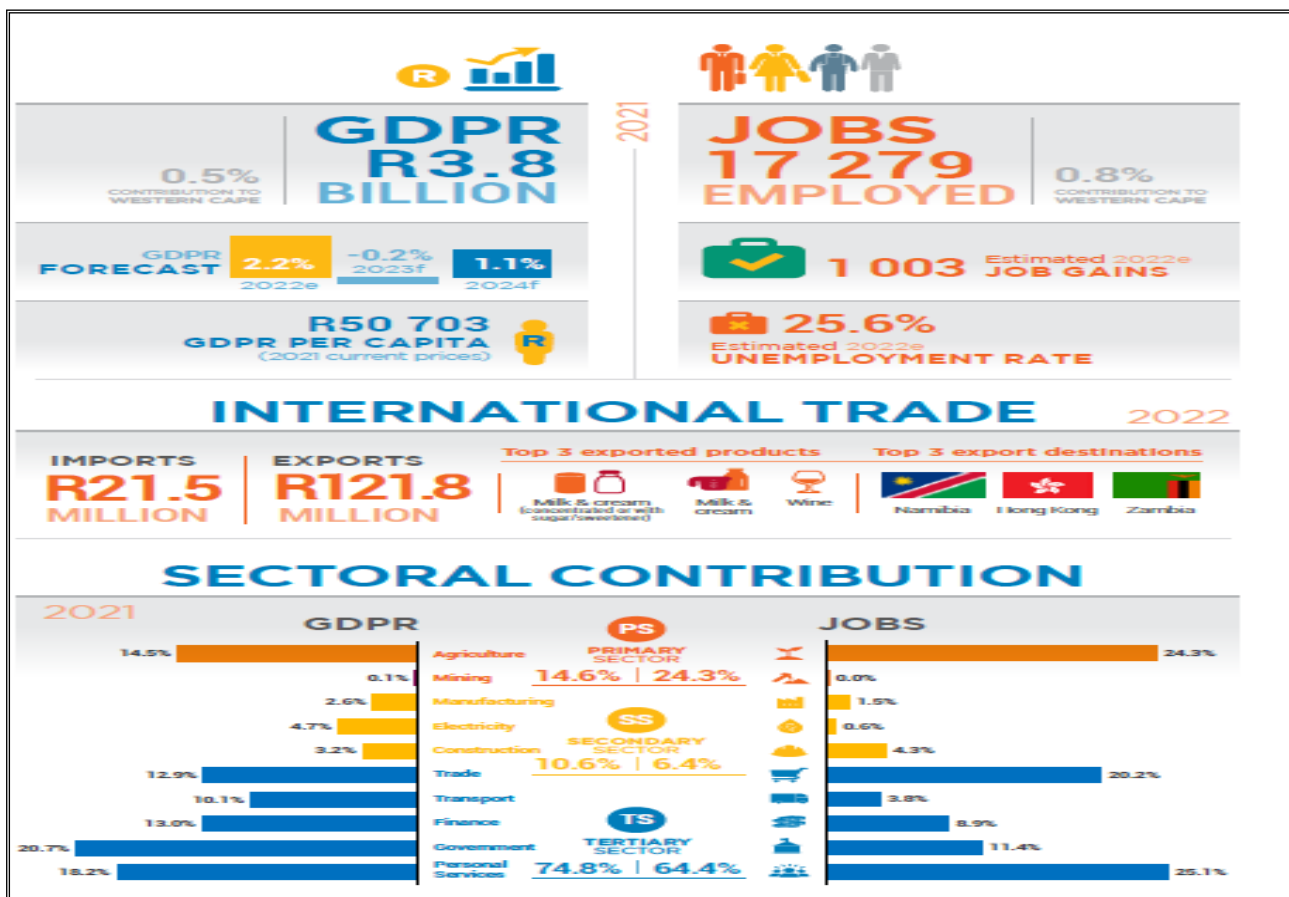
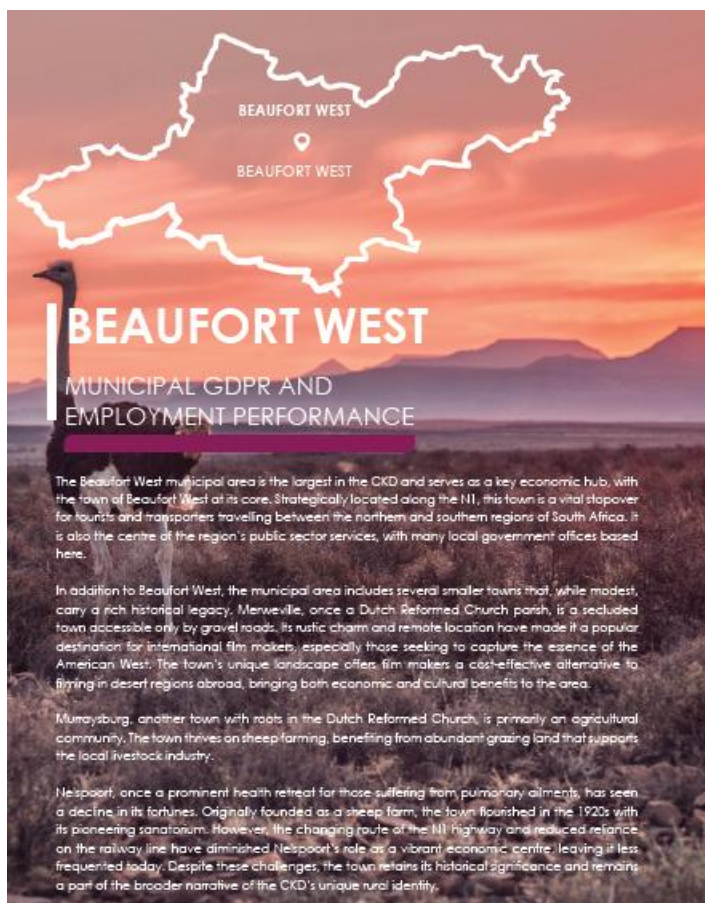
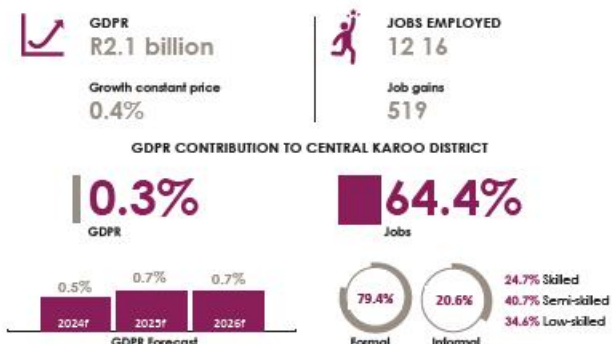


Table 2: Key economic activities



### Municipal GDPR & employment performance



### Employment profile

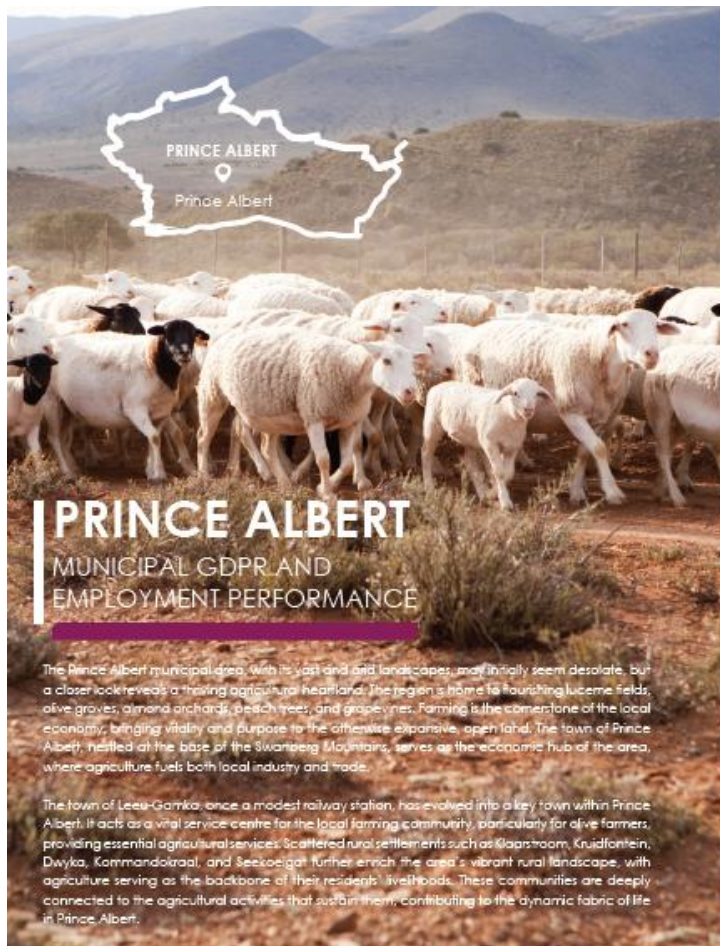


### Top Five Jobs



GDPR performance: Beaufort West





GDPR performance: Prince Albert

## Municipal GDPR & employment performance

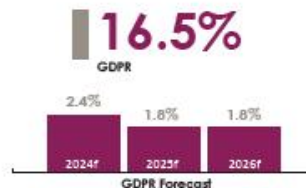


**GDPR**  
R494 million  
Growth constant price  
0.3%



**JOBS EMPLOYED**  
3 859  
Job gains  
58

### GDPR CONTRIBUTION TO CENTRAL KAROO DISTRICT



### Employment profile



**Unemployment rate**  
2022 2023  
28.5% | 23.4%



**Labour force participation rate**  
2022 2023  
44.0% | 42.6%



**Labour absorption rate (employment-to-population ratio)**  
2022 2023  
31.5% | 32.6%



**Not economically active proportion of working-age population**  
2022 2023  
56.0% | 57.4%

### Top Five Jobs

	Top Jobs
	General public administration at Local Government level 331
	Growing of pome fruits and stone fruits 95
	Mixed farming 95
	Public order and safety activities at National Government level 88
	General public administration at Provincial Government level 56



GDPR performance: Laingsburg

## Municipal GDPR & employment performance



**GDPR**  
R411 million  
Growth constant price  
0.1%



**JOBS EMPLOYED**  
2 942  
Job gains  
191

### GDPR CONTRIBUTION TO CENTRAL KAROO DISTRICT



### Employment profile



**Unemployment rate**  
2022 2023  
28.6% | 23.3%



**Labour force participation rate**  
2022 2023  
50.0% | 48.2%



**Labour absorption rate (employment-to-population ratio)**  
2022 2023  
35.7% | 37.0%



**Not economically active proportion of working-age population**  
2022 2023  
50.0% | 51.8%

### Top Five Jobs

	Top Jobs
	General public administration at Local Government level 315
	Retail of automotive fuel in specialised stores 126
	General public administration at Provincial Government level 85
	Public order and safety activities at National Government level 74
	Growing of pome fruits and stone fruits 59



### 1.3.2 DEMOGRAPHIC INFORMATION

#### a) Municipal geographical information

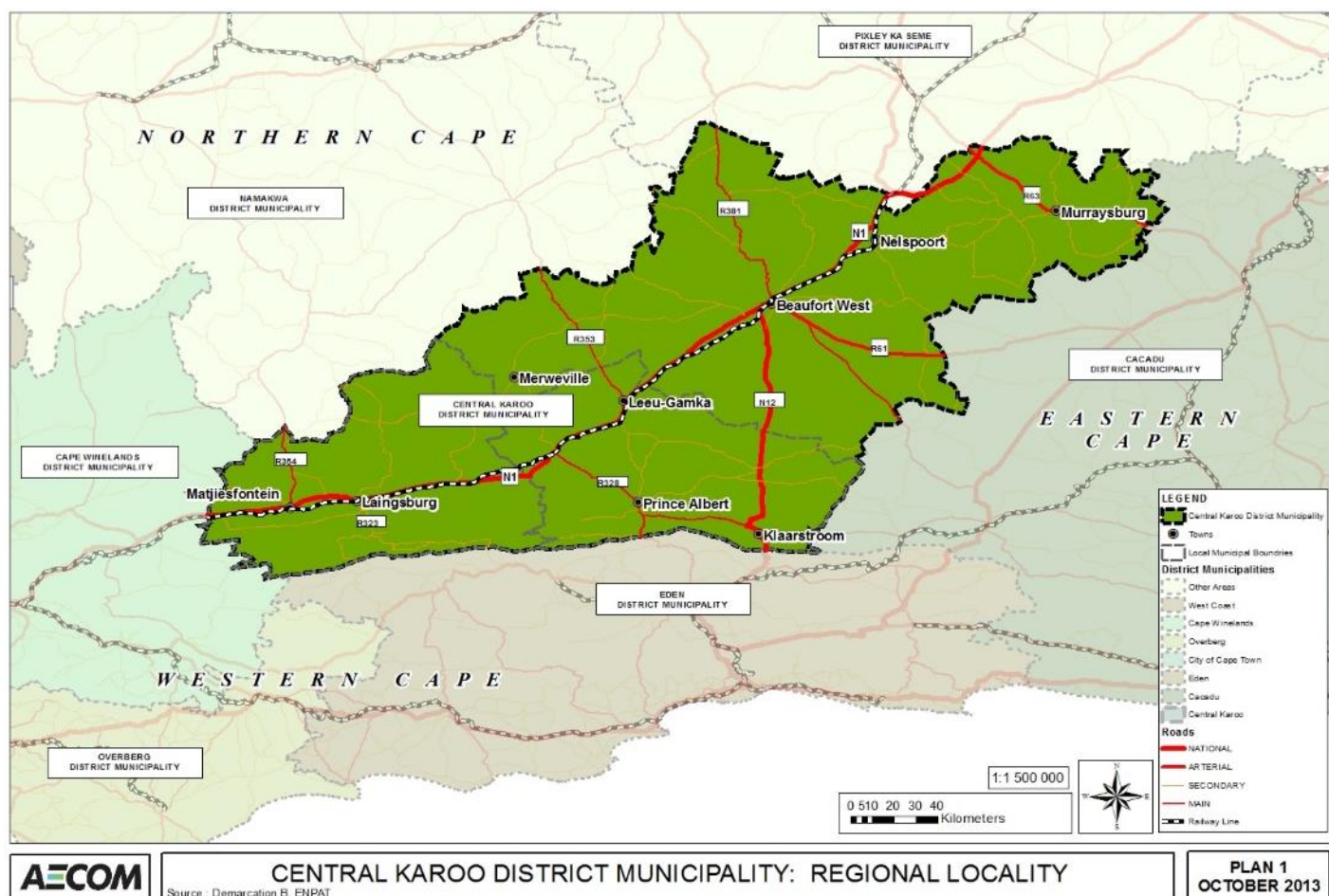
The Central Karoo District Municipality (CKDM) is one of the five Category C District municipalities in the Western Cape Province. The N1 (National Road) runs through the District Municipal area, connecting the area to Cape Town (south west) and Johannesburg towards the north east.

The CKDM covers a total area of 38 852km<sup>2</sup>, making it the largest district municipality in the province. It includes the Beaufort West, Laingsburg and Prince Albert Municipalities.

The Eden District Municipality, Namakwa Local Municipality, the Cacadu District Municipality as well as the Pixley-ka-Seme District Municipality are all located on the boundaries of the Central Karoo District Municipality.

The district forms part of the Great Karoo and is classified as a unique arid zone. The Karoo plateau is the largest of its kind outside Asia, rich in fossils and houses the largest variety of succulents in the world. A number of mountain ranges borders the district, namely Swartberg (Prince Albert) and Nieuvelid Mountains (Beaufort West).

Below is a map that indicates the location of the Municipality:



Location of CKDM

The district houses the following local municipalities:

LOCAL	DESCRIPTION
Beaufort West Municipality	Includes the towns of Beaufort West, Merweville, Nelspoort and Murraysburg. The largest town in the District, Beaufort West, serves as the administrative centre of the district. The municipal area has a total population of approximately 49 586 residents, most of whom are urbanised. Beaufort West is strategically situated approximately 415 km northwest from Cape Town along the N1 route, which connects Cape Town with cities like Bloemfontein and Johannesburg. It has all the characteristics of a modern town, including a magistrate's court, internet cafés, hotels, bed and breakfasts, medical facilities, restaurants and all the other amenities and services found in larger towns.
Laingsburg Municipality	Includes the historic settlement of Matjiesfontein. It is the smallest municipality (in terms of population) in the district and indeed in the whole of South Africa. The municipal area has a total population of approximately 8 289 residents. Laingsburg is situated halfway between Cape Town and Beaufort West on the N1 national road. Passing transport is one of the most important markets for Laingsburg. Laingsburg is characterized by rural agriculture, consisting mainly of sheep farming and the production of soft fruits, especially in the southern part of the municipal area. The potential for the latter is adversely affected by poor roads and long distances to major centres.
Prince Albert Municipality	Prince Albert is situated 400 km north of Cape Town and 170 km South West of Beaufort West. The municipality has a total population of approximately 13 136 residents and borders Beaufort West Municipality, Laingsburg and the Eden District. Prince Albert Municipal area covers a total of 8 800 km <sup>2</sup> with vast parts of these being in the rural areas where vast hectares are under agricultural production, mainly fruit and sheep farming. District roads radiate out of Prince Albert connecting it to its satellite towns of Prince Albert Road on the N1, Klaarstroom on the R329 and Leeu-Gamka on the N1. In recent years Prince Albert has seen the biggest economic growth in the region due to the demand in high-income property being bought especially by Europeans. It is known as a little town with Victorian and Karoo style architecture, art and décor shops, side walk coffee shops, the breathtakingly beautiful Swartberg Valley, Meiringspoort and the annual Olive Festival which attracts hundreds of tourists each year.

Table 3: Local Municipalities

## 1.4 FINANCIAL HEALTH OVERVIEW

### 1.4.1 National Key Performance Indicators – Municipal financial viability and management (ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators (KPI's) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal System Act (MSA). These key performance indicators are linked to the National Key Performance Area (KPA's):

#### Municipal Financial Viability and Management

INDICATOR	2023/24	2024/25
Cost coverage (Available cash+ investments): Monthly fixed operating expenditure	1 month	0.16 months

Table 4: National KPI's for Municipal viability and management

### 1.4.2 National KPI's - Good governance and public participation

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA.

This key performance indicator is linked to the National KPA - Good Governance and Public Participation:

INDICATORS	2023/24	2024/25
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (IDP)	46%	60%

Table 5: National KPI's - Good governance and public participation



### 1.4.3 FINANCIAL OVERVIEW

The table below gives a financial overview of the budget and actual expenditure:

DETAILS	2023/24	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
		2024/25		
	R'000			
INCOME				
Grants	45 585 565	49 781 000	53 763 627	48 162 797
Taxes, levies and tariffs	-	-	-	-
Other	70 796 254	75 530 320	75 530 320	66 831 853
SUB-TOTAL				
Less expenditure	116 381 819	123 118 320	123 908 669	115 076 392
NET SURPLUS/(DEFICIT)	45 585 565	49 781 000	53 763 627	48 162 797

Table 6: Financial overview

### 1.4.4 OPERATING RATIOS

The table below reflects the municipality's performance in terms of the operating ratios listed:

DETAIL	EXPECTED NORM	ACTUAL	VARIANCE
		%	
Employee cost (excluding remuneration of Councillors)	25-40	60%	-20%
Repairs and maintenance	8	0%	8%
Finance charges and depreciation	8	1%	7%

*Note: Repairs and maintenance on basic services are not applicable to the Municipality from the 2024/25 financial year*

Table 7: Operating ratios

### 1.4.5 TOTAL CAPITAL EXPENDITURE

The table below indicates the Municipality's capital expenditure for the past two financial years:

DETAIL	2023/24	2024/25
	R'000	
Original budget	400	3 180
Adjustment budget	3 971	6 064
Actual	937	3 663

Table 8: Total capital expenditure

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 1.5.1 HIGHLIGHTS: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The table below indicates the highlights achieved by the Municipality:

HIGHLIGHTS	DESCRIPTION
Employee Wellness	<ul style="list-style-type: none"> <li>Approved Employee Assistance Policy.</li> <li>Roadshows was held in February and again in June 2025</li> <li>20 September 2024 - Better Together Games</li> <li>Employees are assisted when wellness challenges are reported to the Human Resources Division.</li> </ul>
Appointments finalized	Filled 18 vacancies compared to 13 vacancies (2023/2024) compared to 21 vacancies (2022/2023), 9 – (2021/22), 10 (2020/21), 10 (2019/20).





HIGHLIGHTS	DESCRIPTION
Provincial Disaster Management Support Grant	2 x Disaster Management Interns was appointed in 2024/2025. The appointments is funded and supported by the Provincial Disaster Management Centre.
Financial Management Capacity Building Grant	Provided 22 bursaries to full-time students with the grant obtained since 2017. Two (2) student bursaries were approved for 2024/2025.
National Treasury Grant	The DM takes full advantage of the grant. Currently 4 Interns are appointed.
In-service training	3 Students were assisted with in-service training during the 2024/25 financial year in terms of Council's policy.
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> <li>• Career Planning</li> <li>• Cellphone/Data Allowances</li> <li>• Intoxication</li> <li>• Salary Deductions</li> <li>• Travel and Accommodation</li> </ul>
CKDM Skills Development	Senior Management Programme 7
	MMC 13
	CONSEQUENCE MANAGEMENT - FINANCIAL MISCONDUCT 7
	FIREFIGHTER OFO 541101 SAQA ID 98991 NQF 4 CREDITS 149 2
	Demonstrate knowledge and application of the Occupational Health and Safety Act, 85 of 1993 (OHSA) (as amended) and the responsibilities of management in terms of the Act: SAQA 242668 15
	Conduct an investigation into workplace incidents: NQF 3 - US120335 8
	SHE REP (OHS Rep) - OHS1 ACCREDITED TRAINING 10
	Samtrac Introduction 1
	Health and safety Course: SHE REP: US 9964 & 259639 10
	Bi Annual E@Sy-File Payday Training: SARS TRAINNG ON IRP5; 1
	Bi Annual E@Sy-File Payday Training: SARS TRAINNG ON IRP5; 1
	Convey of Dangerous Goods by Road (SAQA 10230) 15
	Drivers Licence Code 14 (ECI) 1
	Drivers Licence Code8 1
	Bachelor of Commerce in Supply Chain Management 1
	Bachelor of Science Honours in Environmental Management 1
	SAQA 97227: Bachelor of Public Administration 3
	SAQA 118637: Bachelor of Commerce in Financial Management 1
	SAQA 118404: Bachelor of Commerce in Accounting 1
	SAQA 114215: Mentoring for Public Leaders, Accredited course by NSG 11
	SAQA: 85207: Bachelor of Commerce in Supply Chain Management 1
	SAQA 115514: Postgraduate Diploma in Strategic Human Resource Management 1
	Advanced Excell Training 19
	Drivers Licence Code 14 (ECI) 12
	Asset Management Training: Inzalo Short Course 2024/2025 2
	SCM and Infrastructure Procurement Workshop 8
	Institutionalization of the Code for Ethical Leadership in Local Government 28
	Local labour forum (llf) including the local government professionalisation social compact training workshop 24
	INTEGRATED COUNCILLOR EXECUTIVE DEVELOPMENT PROGRAMME WORKSHOP 2
	Preparing for Conciliations Related to Dismissals, Unfair Labour Practices, & LRA Section 198b Disputes Workshop 10
	Law Enforcement by Peace Officers (EHPS) NQF 5 4



HIGHLIGHTS	DESCRIPTION	
	18.2 (Unemployed) – CKDM (Started In June 2025)	13
	<ul style="list-style-type: none"> <li>• DG – Funding Chieta Chemical Operations Learnership – 12-month programme:</li> <li>• Level 4 Chemical Operations: Learnership: 13 Learners – Beaufort West</li> </ul>	
Regional Skills Development	<ul style="list-style-type: none"> <li>• DLG Capacity building: Interns -5 <ul style="list-style-type: none"> <li>○ Laingsburg x 1</li> <li>○ Prince Albert x 1</li> <li>○ Beaufort West x 1</li> <li>○ CKDM x 2</li> </ul> </li> <li>• Local labour forum (LLF) including the local government professionalisation social compact training workshop</li> </ul>	

Table 9: Highlights Municipal transformation and organisational development

## 1.5.2 CHALLENGES: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The table below indicates the challenges faced by the Municipality:

CHALLENGE	ACTION TO ADDRESS
Human Resources capacity constraints in the CKDM to fully attend to all functional areas.	Due to the new Staff Regulations effective 1 July 2022 and new regulatory functions, it should be considered to appoint a Recruitment and Selection Clerk
Tools of Trade are outdated.	Budget to buy updated software, computer equipment, photocopy machines, etc.
Buildings	The main building as well as Health Building needs to be upgraded to ensure adherence to OHS.

Table 10: Municipal transformation and organisation development

## 1.6 B-BEE COMPLIANCE PERFORMANCE INFORMATION

### 1.6.1 MANAGEMENT CONTROL ELEMENT

- Take note: MSCTBEE Services appointed to complete B-BEE verification before finalisation of the Annual Report.

Number of directors/managers for each category. The information must further be broken down into race classification, gender, and disability indication.

AFRICAN			COLOURED			INDIAN		
NUMBER OF DIRECTORS / MANAGERS	GENDER	DISABILITY	NUMBER OF DIRECTORS / MANAGERS	GENDER	DISABILITY	NUMBER OF DIRECTORS / MANAGERS	GENDER	DISABILITY
3	M – 2 F – 1	0	2	M – 1 F – 1	0	0	M – 0 F – 0	0



### 1.6.2 SKILLS DEVELOPMENT ELEMENT

Number of black persons trained per race classification, gender, disability, disability and value thereof against each person trained.

AFRICAN				COLOURED				INDIAN			
PERSONS TRAINED	GENDER	DISABILITY	VALUE	NUMBER OF PERSONS TRAINED	GENDER	DISABILITY	VALUE	NUMBER OF PERSONS TRAINED	GENDER	DISABILITY	VALUE
			R'000				R'000				R'000
13	Female	None	R 272 532.73	42	Female	None	R 949 512.32	0	Female	None	R0.00
19	Male	None	R 272453.49	123	Male	None	R 1 449 796.07	0	Male	None	R0.00

### 1.6.3 ENTERPRISE AND SUPPLIER DEVELOPMENT ELEMENT

Total procurement spend/budget for all suppliers, indicating whether the supplier is an exempted micro-enterprise (EME), qualifying small enterprise (QSE) or large enterprise as per the Codes, as well as value spend per supplier, and the level of black ownership and black women ownership of each supplier entity.

NAME OF SUPPLIER	TOTAL PROCUREMENT SPEND/BUDGET FOR SUPPLIER	B-BBEE STATUS	Town/Province	Commodities / Services	LEVEL OF BLACK OWNERSHIP	LEVEL OF BLACK WOMEN OWNERSHIP
A AND J PARTS	416,392.67	LEVEL 4	Beaufort-West	Wholesale and retail trade, repair of motor vehicles and motorcycle	0%	0%
A G OFFICE FURN	0,00	None Contributor	George	Manufacturing	0%	0%
ADMIROR TRADING	17,972.83	None Contributor	Beaufort-West	Wholesale and retail trade, repair of motor vehicles and motorcycles	0%	0%
AFRICAN ONLINE SCIENTIFIC INFORMATION SYSTEMS	0.00	None Contributor	Cape Town	Information and communication	0%	0%
AFRICAN OXYGEN	94,712.27	None Contributor	Johannesburg	Manufacturing	45.30 %	7.42 %
AGNES STOFFELS	2,980.00	LEVEL 1	Beaufort-West	Catering	100%	100%
AGRICO	40,890.81	None Contributor	Bellville	Other service activities	0%	0%
ALFREDO ELRICO HERMANUS	0.00	None Contributor	Grahamstown	Manufacturing	100%	0%
ALLES VARS GROENTE MARK	0.00	None Contributors	Beaufort-West	Food and beverage service activities	0%	0%
ALTANTIC PLANT AND TRANSPORT (PTY) LTD	0.00	None Contributor	Athlone	Construction	100%	100%
ANNA STOFFELS	5,395.00	LEVEL 1	Beaufort-West	Catering	100%	100%
ARCTIPOINT	0.00	LEVEL 2	Cape Town	Information and communication	51.70%	51.70%
ATKV SAKE (RF)	0.00	LEVEL 2	Rawsonville	Accommodation and food service activities	0%	0%
AVRIL WILMA JOHNSON	34,042.40	LEVEL 1	Beaufort-West	Catering	100%	100%
AYANDA MBANGA COMMUNICATIONS	0.00	LEVEL 1	Cape Town	Professional, scientific and technical activities	100%	100%



NAME OF SUPPLIER	TOTAL PROCUREMENT SPEND/BUDGET FOR SUPPLIER	B-BBEE STATUS	Town/Provi nce	Commodities / Services	LEVEL OF BLACK OWNERS HIP	LEVEL OF BLACK WOMEN OWNERSHIP
BAB DEVELOPERS	0.00	LEVEL 1	Cape Town	Education	100%	0%
BARLOWORLD SOUTH AFRICA	69,728.05	LEVEL 1	Belville	Wholesale and retail trade, repair of motor vehicles and motorcycles	65%	28%
BARRYS HANDEL	5,740.70	None Contributor	Worcester	Wholesale and retail trade, repair of motor vehicles and motorcycles	0%	0%
Bayteck Fire	0.00	None Contributor	Johannesburg	Electricity, gas, steam and air conditioning supply	0%	0%
BEAUFORT ALARMS	1,207.50	LEVEL 4	Beaufort-West	Administrative and support activities	0%	0%
BEAUFORT WES TYRES AND TREADS						
BEAUFORT WEST LUXURY COACHES	16,500.00	LEVEL 1	Beaufort-West	Transportation and storage	100%	100%
BEAUFORT-WES LUGREELING EN VERKOELING	37,363.93	LEVEL 4	Beaufort-West	Electricity, gas, steam and air conditioning supply	0%	0%
BEAUFORT-WES PRESISIE MOTOR INGENIEURSWERKE	166,731.67	LEVEL 4	Beaufort-West	Wholesale and retail trade, repair of motor vehicles and motorcycles	0%	0%
BEAUWES PARTS CENTRE	124,362.37	LEVEL 1	Beaufort-West	Wholesale and retail trade, repair of motor vehicles and motorcycles	0%	0%
BELL EQUIPMENT SALES SOUTH AFRICA	392,599.74	LEVEL 1	Cape Town	Wholesale and retail trade, repair of motor vehicles and motorcycles	51%	40.50%
BELLAWIZ	32,009.68	LEVEL 1	Beaufort-West	Accommodation and food service activities	100%	0%
BIDVEST OFFICE	143,212.78	LEVEL 1	Cape Town	Stationery	35.99%	19.52%
BIDVEST SERVICES	30,090.09	LEVEL 1	Cape Town	Cleaning Equipment and Supplies	0%	0%
BIDVEST STEINER	0.00	LEVEL 1	Cape Town	Cleaning Equipment and Supplies	30%	17%
BONKERN PROJECTS	0,00	LEVEL 1	Beaufort-West	Catering	100%	100%
BRENT ON FIRE	43,757.50	LEVEL 4	George	Fire Extinguishers	0%	0%
BUFFELSDRIFT CLAY MINE	237,050.00	LEVEL 2	Oudtshoorn	Building and Construction Machinery and Accessories	0%	0%
BWEST INVESTMENT GROUP	0.00	None Contributor	Beaufort-West	Travel and Food and Lodging and Entertainment Services	0%	0%
CAPE TOWN LODGE	0.00	None Contributor	Cape Town	Hotels and lodging and meeting	51%	25%
CASEWARE						
CATERING IN THE KAROO	0.00	LEVEL 1	Prince Albert	Catering	100%	50%
COCRE8 IT SERVICES						
COMPACTION AND INDUSTRIAL EQUIPMENT SALES AND SERVICE	0.00	None Contributor	Belville	Building and Construction Machinery and Accessories	0%	0%

NAME OF SUPPLIER	TOTAL PROCUREMENT SPEND/BUDGET FOR SUPPLIER	B-BBEE STATUS	Town/Province	Commodities / Services	LEVEL OF BLACK OWNERSHIP	LEVEL OF BLACK WOMEN OWNERSHIP
COUNTERPOINT TRADING	0.00	None Contributor	George	Editorial and Design and Graphic and Fine Art Services	0%	0%
COURIER PRINTING (BEAUFORT WEST)	13,570.92	LEVEL 4	Beaufort-West	Printed media	0%	0%
CZ ELEKTRIES	0.00	LEVEL 4	Beaufort-West	Electrical Systems and Lighting and Components and Accessories and Supplies	0%	0%
DAC WOOD	5,599.98	LEVEL 4	Beaufort-west	Building and facility maintenance and repair services	0%	0%
DAWID DANIEL VAN WYK	0.00	None Contributor	Beaufort-West	Electrical Systems and Lighting and Components and Accessories and Supplies	0%	0%
DE JAGERS LOODGIETER KONTRAKTEURS	30,833.12	LEVEL 1	Beaufort-West	Building and Construction Machinery and Accessories	51.47%	51.47%
DE ZALZE LODGE	0.00	None Contributor	Stellenbosch	Accommodation	0%	0%
DIT RUK SOUND AND PROJECTS	0,00	Level 1	Beaufort-west	Arts, entertainment and recreation	100%	0%
DOCUMENT WAREHOUSE COASTAL	0.00	None Contributor	Eppingdust	Management and Business Professionals and Administrative Services	0%	0%
DRIZIT ENVIRONMENTAL	0.00	None Contributor	Durban	Cleaning Equipment and Supplies	0%	0%
EDRICK LODEWIKUS BRUWER	0.00	LEVEL 4	George	Building and facility construction and maintenance service	0%	0%
ELB EQUIPMENT HOLDINGS	139,148.38	LEVEL 1	BOKSBURG	Heavy construction machinery and equipment	26%	20%
ELCONA 166	57,245.28	LEVEL 4	Beaufort-West	Travel and Food and Lodging and Entertainment Services	0%	0%
ELOHIM ENTERPRISES	0,00	Level 1	Eastern Cape	construction	100%	100%
ESRI SOUTH AFRICA	0,00	LEVEL 1	Gauteng	ICT Solutions	26%	8%
ETL CONSULTING	0,00	LEVEL 1	Johannesburg	Professional scientific and technical activities	100%	30%
EVELYN DE VILLIERS	0,00	LEVEL 4	Beaufort-West	Accommodation	0%	0%
FAIMEL AUTO ELECTRICAL AND SPARES	142,354.26	LEVEL 1	Beaufort-West	Electronic Components and Supplies	100%	50%
FIBERTEX SOUTH AFRICA	0.00	None Contributor	Hammarisdale	Roads and landscape	0%	0%
FRANZ JACOBUS ESTERHUYSE	29,450.00	LEVEL 4	Beaufort-West	Fuels and Fuel Additives and Lubricants and Anti corrosive Materials	0%	0%
GAP Management (PTY) LTD	1,251,710.94	LEVEL 1	Port-Elizabeth	Security and investigation activities	66%	66%
GEORGE HENRY SCHROEDER	0.00	LEVEL 1	Beaufort-West	Domestic Appliances and Supplies and Consumer Electronic Products	100%	0%
GOB SECURITY SERVICES	0.00	LEVEL 1	Beaufort-west	Security Services		
HAMILTON STOFFEERDERS	7,985.00	LEVEL 1	Beaufort-west	Classroom and instructional and	100%	100%





NAME OF SUPPLIER	TOTAL PROCUREMENT SPEND/BUDGET FOR SUPPLIER	B-BBEE STATUS	Town/Provi nce	Commodities / Services	LEVEL OF BLACK OWNERS HIP	LEVEL OF BLACK WOMEN OWNERSHIP
				institutional furniture and fixtures		
HIGH POWER EQUIPMENT AFRICA	129,900.56	LEVEL 2	Boksburg	Building and Construction Machinery and Accessories	28%	16%
HIGHLINE SOLUTIONS	0,00	LEVEL 1	Benoni	Building and facility maintenance and repair services	100%	0%
HUDACO TRADING	7,357.59	LEVEL 3	Johannesburg	Building and facility maintenance and repair services	37%	11%
IGNITE ADVISORY SERVICES	474,803.04	LEVEL 2	Belville	Consultant: IDP SDBIP	42%	19%
ILANJA SWEISINGENIEURSWERKE	68,347.09	LEVEL 4	Beaufort-west	Manufacturing Components and Supplies	0%	0%
Inyameko trading 445 CC	0,00	LEVEL	Beaufort-West	Catering	100%	50%
INZALO ENTERPRISE MANAGEMENT SYSTEMS	1 657 290,34	-			60%	12%
IT BRILLIANCE	14,243.00	LEVEL 4	Oudtshoorn	Electronic Components and Supplies	0%	0%
J P C BESTER EN SEUNS MOTORHAWAWE	0.00	None Contributor	Victoria west	Chemicals including Bio Chemicals and Gas Materials	0%	0%
JOBOJALI	0,00	LEVEL 4	Beaufort West	Catering	0%	0%
JOHANN PIENAAR MOTORS	126,831.24	LEVEL 4	Beaufort West	Wholesale and retail trade repair of motor vehicles and motorcycles	0%	0%
JUVINON SYSTEMS	26,834.01	None Contributor	George	Information Technology Broadcasting and Telecommunications	0%	0%
KAROO RADIO AND SATELITE	36,108.02	LEVEL 4	Beaufort West	Domestic Appliances and Supplies and Consumer Electronic Products	0%	0%
Kempston Motor Group Trust	0.00	None Contributor	George	Wholesale and retail trade repair of motor vehicles and motorcycles	0%	0%
KGATELOPELE CAPITAL GROUP	0,00	LEVEL 1	Bloemfontein	Information Technology Broadcasting and Telecommunications	100%	0%
KHARAFI HOSPITALITY	0,00	None Contributor	George	Hotels and lodging and meeting	0%	0%
KING GEORGE GOLF SUITES SECTIONAL TITLE DEVELOPMENT SS 190/2000	0.00	None Contributor	George	Hotels and lodging and meeting		
KLEIN KAROO AGRI	36,251.07	Level 8	Oudtshoorn	Building and Facility Construction and Maintenance Services	0%	0%
KOHLER SIGNS	0.00	LEVEL 1	Blackheath	Industrial Production and Manufacturing Services	100%	10%
KOMATSU SOUTH AFRICA	150,543.28	LEVEL 1	Johannesburg	Building and Construction Machinery and Accessories	25%	10%
KP UBUMNANDI GROUP	8,585.49	None Contributor	Beaufort-West	Toyota Vehicle repairs	55%	0%
LAST SAMURAI PROPERTY HOLDINGS 2	0.00	LEVEL 1	Stikland	Structures and Building and Construction and	100%	0%



NAME OF SUPPLIER	TOTAL PROCUREMENT SPEND/BUDGET FOR SUPPLIER	B-BBEE STATUS	Town/Province	Commodities / Services	LEVEL OF BLACK OWNERSHIP	LEVEL OF BLACK WOMEN OWNERSHIP
				Manufacturing Components and Supplies		
LEXISNEXIS	3,097.40	LEVEL 2	Sandton	Information Technology Broadcasting and Telecommunications	19%	7%
LUMBER AND LAWN	4,805.26	LEVEL 2	Paarl	Building and Construction Machinery and Accessories	51%	39%
M EN M EIENDOMME	0,00	Exempted Micro Enterprise	Murraysburg	Fuel and lubricants	0%	0%
MADAMS TRINITY SERVICES	0.00	LEVEL 1	Beaufort West	Activities of households as employers of domestic personnel	100%	100%
Magrietha Heibregt Jacobs	0,00	LEVEL 4	Beaufort West	Construction	0%	0%
Malowitz Group of Companies	0.00	LEVEL 1	Beaufort-West	construction	100%	67%
Manewes Projects	206.97	LEVEL 1	Beaufort West	Editorial and Design and Graphic and Fine Art Services	100%	50%
MARAIS MOTORS (BEAUFORT WES)	93,746.06	LEVEL 4	Beaufort West	Panel Beating	0%	0%
MARKET DEMAND TRADING 306 T/A Ellefsen Golf Suites	0.00	None Contribution	Langebaan	Accommodation and food service activities	0%	0%
MARKET DEMAND TRADING 319	11,398.60	LEVEL 4	Laingsburg	Travel and Food and Lodging and Entertainment Services	0%	0%
MCWILLIAMS AND ELLIOTT	0.00	LEVEL 2	Port-Elizabeth	Administrative law services	70%	0%
MEDIA 24	103,748.40	LEVEL 4	Cape Town	Advertisement	42,31%	22,63%
MONTDOR PRINCE ALBERT	28,785.00	LEVEL 4	Prince Albert	Travel and Food and Lodging and Entertainment Services	0%	0%
MOORE Stephens		-	Yes	-	55%	55%
MOORE STEPHENS (DIRECT)	0.00	LEVEL 2	George	Consultants / internal audit	55%	55%
MUBESKO AFRICA	1,090,514.25	LEVEL 2	Oudtshoorn	Management and Business Professionals and Administrative Services	51%	40.50%
NICO SWART CONSULTANCY	0.00	None Contributor	Somerset West	Financial and Insurance Services	0%	0%
Nietvoorby Boerdery	0,00	None Contributor	Laingsburg	Water supply, sewerage, waste management and remediation activities	0%	0%
NORCAZ PROMOTIONS	0,00	LEVEL 4	Alberton	Education	0%	0%
O P J BRAKE AND CLUTCH	1,840.00	None Contributor	George	Commercial and Military and Private Vehicles and their Accessories and Components	0%	0%
OHSCARE	0.00	LEVEL 2	Johannesburg	Healthcare Services	51%	51%
Orik (Pty) Ltd	0.00	LEVEL 1	Milerton	Administration and support activities	100%	34%
PENNYWORTH TRADING	128,826.52	LEVEL 2	George	Commercial and Military and Private Vehicles and their Accessories and Components	51%	51%
PEX HYDRAULICS CAPE TOWN	16 145,57	LEVEL 4	Cape Town	Building and Construction Machinery and Accessories	0%	0%



NAME OF SUPPLIER	TOTAL PROCUREMENT SPEND/BUDGET FOR SUPPLIER	B-BBEE STATUS	Town/Provi nce	Commodities / Services	LEVEL OF BLACK OWNERS HIP	LEVEL OF BLACK WOMEN OWNERSHIP
PFP VAN EEDEN ELEKTRIES	0.00	LEVEL 4	Laingsburg	Building and Facility Construction and Maintenance Services	0%	0%
PHIREWORX	0,00	LEVEL 1	Cape Town	Office administrative office support and other business support activities	100%	60%
PIENAAR BROTHERS	81,898.00	LEVEL 1	Beaufort West	Apparel and Luggage and Personal Care Products	25,10%	25,10%
PRINT AT GROUP	112,696.70	LEVEL 4	Beaufort West	Printing	0%	0%
PROUDLY KAROO	8,755.00	LEVEL 4	Beaufort West	Apparel and Luggage and Personal Care Products	0%	0%
Q BOLT	22,758.50	LEVEL 4	Oudtshoorn	Industrial Manufacturing and Processing Machinery and Accessories	0%	0%
QUIDITY	71,760.00	LEVEL 4	Wellington	Information Technology Broadcasting and Telecommunications	0%	0%
RALPH ALXANDER KOSTER T/A MATOPPO INN	52,670.00	LEVEL	Beaufort West	Accommodation and food service activities	0%	0%
RBI Asset Management	0,00	LEVEL 1	Boksburg	Engineering and Research and Technology Based Services	100%	100%
REEBOKSFONTEIN BELEGGINGS	0.00	LEVEL 2	Beaufort WEst	Hotels and lodging and meeting	0%	0%
Renu-Karoo Veld Restoration	0.00	LEVEL 2	Prince Albert	Agriculture, forestry and fishing	0%	0%
RESHUB T/A Southern Sun The Cullinan	0,00	LEVEL 1	Cape Town	Accommodation	52,13%	28,34%
RUSLAMERE GUESTHOUSE	0.00	LEVEL 2	Durbanville	Accommodation	0%	0%
RWICILA CONSTRUCTION	0,00	LEVEL 1	Beaufort West	Building and facility maintenance and repair services	100%	0%
SHORT'S NISSAN	285,577.81	LEVEL 1	George	Commercial and Military and Private Vehicles and their Accessories and Components	51%	26%
Silver Lake Trading 305 (Pty) Ltd	347 272,49	-	Yes	-	100%	100%
SMEC	0.00	-	-	Yes	94,29%	36,60%
SOUTH CAPE GALVANISING	0.00	None Contributor	George	Manufacturing of machinery and equipment	0%	0%
SOUTH CAPE TRAVEL	156,163.58	LEVEL 4	George	Travel and Food and Lodging and Entertainment Services	0%	0%
SOUTHCAPE PETROLEUM	7,651,540.10	None Contributor	Mosselbay	Fuels and Fuel Additives and Lubricants and Anti corrosive Materials	0%	0%
SPOT-ON DEALS FORTY THREE						
Stanmar Motors	32,609.22	LEVEL 6	George	Vehicle spares / Motor parts	25,17%	0%
Startune Pty Ltd	0.00	LEVEL 1	Johannesburg	Safety gear	0%	0%
STEEL PIPES FOR AFRICA (GEORGE)	0.00	None Contributor	George	Structures and Building and Construction and Manufacturing Components and Supplies	0%	0%
SUMMAT TRAINING INSTITUTE	0,00	LEVEL 1	JOhannesburg	Professional, scientific and technical activities	100%	75%



NAME OF SUPPLIER	TOTAL PROCUREMENT SPEND/BUDGET FOR SUPPLIER	B-BBEE STATUS	Town/Provi nce	Commodities / Services	LEVEL OF BLACK OWNERS HIP	LEVEL OF BLACK WOMEN OWNERSHIP
TG ELEKTRIES	16,178.02	LEVEL 2	Beaufort West	Electrical Systems and Lighting and Components and Accessories and Supplies	0%	0%
THE ASSESSMENT TOOLBOX CC	0.00	Level 4	Johannesburg	Apparel and Luggage and Personal Care Products	0%	0%
THE PENNYPINCHERS BEAUFORT WEST TRUST						
TICIVA TWENTY	0.00	None Contributor	Beaufort West	Fuels and Fuel Additives and Lubricants and Anti corrosive Materials	0%	0%
Timbercity Beaufort Wes					0	0
TJEKA TRAINING MATTERS(PTY) LTD	0.00	LEVEL 1	Johannesburg	Education / Training	58,52%	5,92%
TNA GENERAL SERVICES PTY LTD	0,00	LEVEL 1	Beaufort West	Building and facility maintenance and repair services	100%	0%
TRADEPOST 163	3 162.50	LEVEL 4	George	Manufacturing Components and Supplies	0%	0%
TRAVELGROUND	46,010.50	None Contributor	Cape Town	Travel and Food and Lodging and Entertainment Services	0%	0%
TRENTYRE						
Truck City (pty)Ltd	0.00	None Contributor	Cape Town	Wholesale and retail trade repair of motor vehicles and motorcycles	0%	0%
TSOGO SUN CALEDON	0.00	LEVEL 2	Cape Town	Accommodation	62,43%	34,25%
TTM TRADING AND PROJECTS (PTY) LTD	0.00	LEVEL 1	Pretoria	Electricity gas steam and air conditioning supply	100%	0%
TYRES AND TREADS				-		
UBER TECHNOLOGIES	747,044.07	LEVEL 4	Bloemfontein	Information Technology Broadcasting and Telecommunications	0%	0%
VALMAC OFFICE NATIONAL	81,898.17	LEVEL 1	Port-Elizabeth	Office machines and their supplies and accessories	100%	0%
VDW GROUP	17,854.11	None Contributor	Oudtshoorn	Commercial and Military and Private Vehicles and their Accessories and Components	0%	0%
VEXOSCORE FIRE	0,00	None Contributor	Johannesburg	Remediation activities and other waste management services	100%	50%
WAGON WHEEL	17 600.00	LEVEL 4	Beaufort West	Food and beverage service activities	0%	0%
Werner Van Meersbergen	0,00	None Contributor	Laingsburg	Water supply, sewerage, waste management and remediation activities	0%	0%
Willem Gabriel J Matthee	0,00	None Contributor	Beaufort-West	Water collection treatment and supply	0%	0%
WURTH SOUTH AFRICA CO	8,006.20	None Contributor	Johannesburg	Industrial Manufacturing and Processing Machinery and Accessories	0%	0%
ZITANDA SHOPS	59,676.18	None Contributor	Belville	Transportation and Storage and Mail Services	0%	0%



INDICATORS	2024/25
Value of the 2% of Net Profit After Tax (NPAT) or 0.2% of allocated budget for supplier development	-

INDICATORS	2024/25
1% NPAT or 0.1% of allocated budget for enterprise development	-

#### 1.6.4 SOCIO ECONOMIC DEVELOPMENT ELEMENT

INDICATORS	2024/25
Value of the 1% NPAT or 0.1% of allocated budget the sphere of government, organ of state or public entity spend on socio-economic development	-

INDICATORS	2024/25
Value of the 1% NPAT or 0.1% of allocated budget the sphere of government, organ of state or public entity spend on socio-economic development	-

## 1.7 AUDITOR -GENERAL

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

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

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

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

- A clean audit: The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- Unqualified audit with findings: The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- Qualified audit opinion: The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- Adverse audit opinion: The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- Disclaimer of audit opinion: Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements.

The Central Karoo District Municipality remains committed towards the drive to achieve a clean audit and have put several policies, policies and procedures in place.





### 1.7.1 AUDITED OUTCOMES

The table below illustrates the audit outcomes for the past five (5) years for CKDM:

YEAR	2020/21	2021/22	2022/23	2023/24	2024/25
STATUS	Clean audit	Unqualified	Unqualified	Unqualified	Unqualified

Table 11: Audit outcomes

## CHAPTER 2: GOOD GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

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

## 2.1 GOVERNANCE STRUCTURE

### 2.1.1 POLITICAL GOVERNANCE STRUCTURE

Council performs legislative and executive functions as well as playing an oversight and participatory role. It also delegated its executive function to the Executive Mayor and the Mayoral Committee. The primary role of the Mayoral Committee is to assist and advise the Executive Mayor.

#### a) Council

The Council consists of 15 members, whom are representative of all the local municipalities in the district.

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

COUNCIL MEMBERS	CAPACITY	POLITICAL PARTY	REPRESENTATION OR PROPORTIONAL	COUNCIL MEETINGS ATTENDANCE	COUNCIL MEETINGS NON-ATTENDANCE
				NUMBER	NUMBER
Cllr Johanna Botha	Executive Mayor	ANC	Proportional	29	1
1) Cllr Thershia C J Prince – until 17.09.2024 – elect as Speaker 20.09.2024	Executive Deputy Mayor	PA	Proportional	30	-
2) Cllr Isak Alexander Jacobs – until 22.04.2025	Full-Time Cllr	KDF	Proportional	23	3
3) Cllr. D W Sampie – elected 09.06.2025		Good	Proportional	27	3
Cllr. L.izel Paulse	Speaker/Full Time Councillor – resigned 20.09.2024	ANC	Proportional	25	5
Cllr Gideon Pietersen	Full-Time Cllr from 02.09.2024 until 9.06.2025	ANC		29	1
Cllr. Lesley Boyce Jason Mdudumani	Full-Time Councillor	ANC	Ward Councillor	16	4



COUNCIL MEMBERS	CAPACITY	POLITICAL PARTY	REPRESENTATION OR PROPORTIONAL	COUNCIL MEETINGS ATTENDANCE	COUNCIL MEETINGS NON-ATTENDANCE
				NUMBER	NUMBER
Cllr Samuel Jooste	Part-Time Councillor	KDF	Proportional	30	-
Alderman Jacob J. van der Linde	Part-Time Councillor	DA	Proportional	28	2
Cllr Josias de Kock Reynolds	Part-Time Councillor	DA	Ward Councillor	-	-
Cllr. Abraham P. Swanepoel	Part Time Councillor	DA	Proportional	27	3
Cllr Sidney D. Koonthea	Part-Time Councillor	DA	Ward Councillor	26	4
Cllr Arnold J. MacKay	Part-Time Councillor	PA	Ward Councillor	27	3
Cllr Lulama V Piti	Part-Time Councillor	ANC	Proportional	27	3
Cllr Denvor W Sampie	Part-Tme Councillor	Good	Proportional	27	3
Cllr Donovan U Snyders	Part-Time Councillor	DA	Proportional	30	-
Cllr Schaun M Meyers	Part-Time Councillor	DA	Proportional	29	-
Cllr Quinton Louw	Part-time Councillor	KDF	Proportional	5	-

Table 12: Councillors

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

MEETING DATES	COUNCIL MEETING ATTENDANCE	APOLOGIES FOR NON-ATTENDANCE
26 July 2024	14	-
15 August 2024	15	-
26 August 2024	12	3 – without leave
30 August 2024	14	1 – with leave
2 September 2024	13	2 – with leave
10 September 2024	15	-
20 September 2024	15	-
30 September 2024	15	-
01 October 2024	14	1 – with leave
10 October 2024	12	2– with leave 1 – without leave
22 October 2024	13	2- with leave
31 October 2024	14	1 -with leave
5 November 2024	13	2 – with leave

MEETING DATES	COUNCIL MEETING ATTENDANCE	APOLOGIES FOR NON-ATTENDANCE
20 November 2024	14	1 – with leave
27 November 2024	15	-
6 December 2024	15	-
11 December 2024	14	1 – with leave
22 January 2025	15	-
20 February 2025	14	1 – with leave
27 February 2025	14	1 – with leave
10 March 2025	12	3 – with leave
26 March 2025	13	2 – with leave
9 April 2025	15	-
23 April 2025	13	1 – with leave
25 April 2025	13	1 – with leave
30 April 2025	11	4 – without leave
2 May 2025	14	1 – with leave
20 May 2025	15	-
29 May 2025	14	1 – with leave
9 June 2025	15	-

Table 13: Council meeting attendance

#### b) Executive Mayoral Committee

The Executive Mayor of the municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. The Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, as delegated by Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

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

NAME OF MEMBER	PORTFOLIO COMMITTEE
Johanna Botha [Chairperson]	Finance Committee
Denvor W Sampie until 2.09.2024 Thershia C J - until 17.09.2024 Gideon Pietersen until 9.06.2025	Corp & HR Dev Committee
Lesley Boyce Jason Mdudumani	Socio Economic Committee
Isak Alexander Jacobs – until 22.04.2025	Municipal Services & Infrastructure Committee
Lulama V Piti	MPAC
Lizel Paulse – from 20.09.2024	Socio-Economic Dev Committee

Table 14: Executive Mayoral Committee

#### c) Portfolio Committees

Portfolio Committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the Mayoral Committee on policy matters and make recommendations to Council.



The portfolio committees for the 2024/25 mayoral term and their chairpersons are as follow:

i) Financial Committee

NAME OF MEMBER	MEETING DATES
Cllr. J Botha <i>[Chairperson]</i>	17 February 2025
Cllr T. Prince replaced by Cllr I A Jacobs 20.09.2024	
Cllr S. Jooste	
Alderman J. van der Linde	
Cllr D. Sampie	

Table 15: Financial Services Portfolio Committee

ii) Municipal Services and Infrastructure Portfolio Committee

NAME OF MEMBER	MEETING DATES
Cllr. I.A. Jacobs <i>[Chairperson]</i>	None
Cllr. L. Mdudumani <i>[Chairperson from 20.09.2024]</i>	
Cllr. A. MacKay	
Cllr. S Meyers	
Cllr. D. Sampie	

Table 16: Municipal Services and Infrastructure Portfolio Committee

iii) Corporate & Human Resources Development Portfolio Committee

NAME OF MEMBER	MEETING DATES
Cllr. L V Piti replaced by Cllr L. Paulse 20.09.2024	12 September 2024 18 February 2025
Cllr. D U Snyders	
Cllr G. Pietersen <i>[Chairperson from 10.09.2024]</i>	
Cllr S. Jooste	
Cllr. D W Sampie <i>[Chairperson] until 10.09.2024</i>	

Table 17: Human Resource Development Portfolio Committee

iv) Socio Economic Development Portfolio Committee

NAME OF MEMBER	MEETING DATES
Cllr. L B J Mdudumani <i>[Chairperson] replaced by Cllr L. Paulse as Chairperson</i>	18 February 2025 11 June 2025
Cllr. G. Pietersen	
Cllr. I.A. Jacobs	
Cllr. A. Swanepoel	
Cllr. D. Sampie	

Table 18: Socio Economic Development Portfolio Committee





## 2.1.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The administrative structure is outlined in the table below:

NAME OF OFFICIAL	DEPARTMENT	PERFORMANCE AGREEMENT SIGNED
		(YES/NO)
Mr. JM Penxa	Municipal Manager	Yes
Adv. TB Mea	Director: Corporate Services	Yes
Ms. K. Makalima	Director: Financial Services	Yes
Mrs. B Koopman	Director: Socio Economic Services	Yes

Table 19: Administrative governance structure

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.2 INTERGOVERNMENTAL RELATIONS

#### 2.2.1 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

In terms of the Constitution of South Africa, all spheres of government and organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations.

They must:

- Assist and support one another;  
Inform and consult one another on matters of common interest;
- Coordinate their actions;
- Adhere to agreed procedures; and
- Avoid legal proceedings against one another

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

NAME OF STRUCTURE	MEMBERS	DATES OF MEETINGS	OUTCOMES OF ENGAGEMENTS/TOPICS DISCUSSED
District Coordinating Forum (DCF)	Executive Mayors, Municipal Managers, various sector departments (as per invite)	16 May 2024 6 June 2025	JDMA Projects/ Programmes
			Clean Audit
			Shared Services
District Public Participation and Communication Forum	Local municipalities, various sector department (as per invite)		Ward committee establishment and capacitation
			IDP Representative and Public Participation and Communication Forum terms of Reference
			The state of local municipalities' IDP Forums
			Status and challenges of ward committee establishment
			Thusong Services strategic approach

Table 20: Intergovernmental structures

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose,



it must encourage and create conditions for the local community to participate in the affairs of the Municipality. Such participation is required in terms of:

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

## 2.3 REPRESENTATIVE FORUMS

The tables below specify the members of the representative forums for the 2024/25 financial year:

### 2.3.1 LABOUR FORUM

NAME OF REPRESENTATIVE	CAPACITY	MEETING DATES
Cllr. I.A. Jacobs [deceased 22.04.2025]	Chairperson [rotate basis]	7 August 2024 14 February 2025
Cllr. J. Mdudumani		
Cllr. S. Koonthea		
Cllr. D. Sampie		
G Simpson	SAMWU representative	
L. Crafford	IMATU representative	
Mrs H. Jacobs	Head: Legal Services	

Table 21: Labour Forum

### 2.3.2 DISTRICT COORDINATING FORUM

NAME OF REPRESENTATIVE/ORGANISATION PRESENTING	CAPACITY	MEETING DATES
Cllr. J Botha	Executive Mayor: CKDM	16 May 2024
Cllr. A Kleinbooi	Executive Mayor: Laingsburg Municipality	
Cllr A Theron	Executive Mayor: Laingsburg Municipality	
Cllr. S Reynolds	Executive Mayor: Beaufort West Municipality	
Cllr. L Jaquet	Executive Mayor: Prince Albert Municipality	6 June 2025
Mr. M. Nkungwana	Municipal Manager: CKDM	
Mr MJ Penxa		
Mr. D. Welgemoed	Municipal Manager: Beaufort West Municipality	
Mr A. Maklendlana	Acting Municipal Manager: Beaufort West Municipality	
Mr. J. Booysen	Municipal Manager: Laingsburg Municipality	
Adv T Giliomee	Acting: Municipal Manager: Prince Albert Municipality	

Table 22: District Coordinating Forum

## COMPONENT D: GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. It also includes the relationships amongst the stakeholders involved.

## 2.4 RISK MANAGEMENT

The Municipality has a Fraud and Risk Management Policy as approved by Council on 11 December 2024. The Risk Management Implementation Plan is reviewed annually by the Risk Management Committee and submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by 1 staff member to ensure the following functions are performed:

- Assisting management to develop the Risk Management Policy, Strategy and Implementation Plan



- Coordinating risk management activities
- Facilitating the identification and assessment of risks
- Recommendation of risk responses to management
- Developing and disseminating risk reports

#### 2.4.1 RISK ASSESSMENT PROCESS

Risk assessments are performed regularly where risks are reviewed, identified and categorized into the following groups:

- Operational risks
- Strategic risks
- Fraud risks

Risk ratings identified are classified into high, medium and low. The risk ratings are determined by a 10 X 10 risk matrix scale. The following tables illustrates the municipality's appetite for risk through the determination of their impact and likelihood.

LIKELIHOOD		
SCORE	GRADING	DESCRIPTION
10	Certain	Adverse event/opportunity will definitely occur
9	Almost Certain	There is little doubt that the event will occur. History of occurrence internally and/or at similar institutions
8	Probable	Highly likely that adverse event/opportunity will occur
7	Expected	The adverse event/opportunity can be expected to occur
6	Possible	It is more likely that adverse event/opportunity will occur than not
5	Potential	There is a 50% probability of occurrence
4	Occasional	Unlikely, but can reasonably be expected to occur
3	Remote	Unlikely, but there is a slight possibility that the event will occur
1-2	Improbable	Highly unlikely that adverse event/opportunity will occur

Table 23: Risk likelihood

IMPACT		
SCORE	GRADING	DESCRIPTION
10	Catastrophic	Critical event resulting in immediate Council intervention. Long-term cessation of core organisational activities.
9	Critical	Major financial, operational and/or reputational loss for the municipality. Issues that should be addressed on Council level.
8	Severe/major	Critical event resulting in intervention of executive management. Probable long-term cessation of core business activity – material at organisation level – requires Audit Committee involvement.
7	Significant	Significant long-term impact to business – requires attention of directors / department managers.
6	Moderate	Reduced ability to achieve business objectives – requires executive management intervention. Short- and medium-term disruption of services.
5	Marginal	Disruption of normal operations with a limited effect on achievement of the municipality's strategy and objectives. Minor financial losses, e.g. petty theft.
4	Immaterial	No material impact on achievement of the municipality's strategy and objectives. Irritation in rendering or receiving service.
3	Minor	Event will be coped with in short term through normal management processes.
2	Insignificant	Impact of adverse event is minimal.



IMPACT		
SCORE	GRADING	DESCRIPTION
1	Negligible	Impact of adverse event has little (if any) impact on business.

Table 24: Risk impact

## 2.4.2 TOP STRATEGIC RISKS OF THE MUNICIPALITY

As part of the risk assessment, management identified current controls which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk. After the residual risks have been determined it will be categorized again according to high, medium and low risks. Management determines which of the residual risk require further actions to mitigate the risks identified.

The top risks of the Municipality as per the risk register:

	RISK	SECTION	DIRECTORATE	IMPACT	LIKELIHOOD	INHERENT RISK RATING	LEVEL OF CONTROL	CONTROL EFFECTIVENESS (FOR RISKS WITHIN MUNICIPALITY'S CONTROL)	RESIDUAL RISK	RESPONSIBLE PERSON
1	The potential loss of income with the transfer / loss of the Roads function	Infrastructure Services	Office of the Municipal Manager	10.00	5.00	50.00	Low	0.40	20.00	Municipal Manager
2	Continued financial sustainability	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	All HOD's
3	Ineffective functioning of Council	Committee Services	Corporate Services	10.00	10.00	100.00	Medium	0.20	20.00	Director: Corporate Services
4	Lack of capacity to fulfil Constitutional mandate in relation to LED, Tourism, Disaster Management, Fire Services, Municipal Health	Strategic Support Services	Socio Economic Services	10.00	10.00	100.00	Medium	0.40	40.00	Director: Socio Economic Services
5	Lack of budget to fulfil Constitutional mandate in relation to LED, Tourism, Disaster Management, Fire Services	Strategic Support Services	Socio Economic Services	10.00	10.00	100.00	Medium	0.40	40.00	Director: Socio Economic Services
6	Failure to implement mSCOA	Budget and Treasury	Financial Services	10.00	10.00	100.00	Medium	0.60	60.00	Director: Financial Services
7	Lack of consequence management	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	All HOD's
8	Failure to fully implement the MSCOA Regulations	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	Director: Financial Services





	RISK	SECTION	DIRECTORATE	IMPACT	LIKELIHOOD	INHERENT RISK RATING	LEVEL OF CONTROL	CONTROL EFFECTIVENESS (FOR RISKS WITHIN MUNICIPALITY'S CONTROL)	RESIDUAL RISK	RESPONSIBLE PERSON
9	Lack of OHS compliance	All Sections	All Directorates	10.00	10.00	100.00	Medium	0.60	60.00	Municipal Manager
10	High wage bill in relation to Municipal budget	All Sections	All Directorates	10.00	9.00	90.00	Medium	0.60	54.00	Director: Corporate Services
11	Failure to attract and retain skilled professionals	All Sections	All Directorates	10.00	9.00	90.00	Low	0.60	54.00	All HOD's
12	Inadequate budget to fund the ICT function	ICT	Corporate Services	10.00	10.00	100.00	Medium	0.60	60.00	Director: Corporate Services
13	Lack of PDO compliance	All Sections	Corporate Services	10.00	10.00	100.00	High	0.4	40.00	Director: Corporate Services

Table 25: Risk register

2.4.3 RISK MANAGEMENT COMMITTEE

The Risk Management Committee is guided by a charter which is in compliance with the Local Government: MFMA, 2003 (Act No. 56 of 2003) and has the following duties:

- Identification and assessment of departmental risks
- Receive feedback on progress with the risk registers at a strategic and operational level
- Provide feedback on establishing a common understanding of risk management
- Monitor progress with the updating of risk registers
- Review and monitor enterprise risk management processes and outputs regularly
- Review the risk management Policy, strategy and implementation plan
- Guide the development and implementation of enterprise risk management
- Bring critical risks to the attention of all who contribute to more informed decision-making

Our Risk Management Committee consists of the following members:

NAME OF COMMITTEE MEMBER	CAPACITY	MEETING DATES
Mr JM Penxa	Chairperson	17 October 2024 10 December 2024 03 April 2025
Adv TB Mea	Member	
Ms K Makalima	Member	
Mr R Ceaser	Member	
Ms B Koopman	Member	
Mr S Qwina	Member of AC & External member	

Table 26: Risk Management Committee

2.5 ANTI-CORRUPTION AND FRAUD

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

a) Developed strategies

The table below indicates the strategies developed to ensure that good governance and compliance is adhered to within the Municipality:



NAME OF STRATEGY	DEVELOPED YES/NO	DATE ADOPTED
Anti-Corruption and Fraud Prevention Policy	Yes	11 December 2024

Table 27: Strategies

## 2.6 AUDIT AND PERFORMANCE COMMITTEE

### 2.6.1 FUNCTIONS OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC)

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

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

### 2.6.2 MEMBERS OF THE APAC

Members appointed from 30 July 2024 to 30 June 2025:

NAME	POSITION	PERIOD
S Ngwevu	Chairperson	30 July 2024 to 30 June 2025
K Mc Kay	Member	30 July 2024 to 30 June 2025
S Qwina	Member	30 July 2024 to 30 June 2025
A Augustyn	Member	30 July 2024 to 30 June 2025

Table 28: Members of the APAC

## 2.7 INTERNAL AUDITING

Section 165(2) (a), (b) (iv) of the MFMA requires that: The internal audit unit of a municipality must –

- prepare a risk-based audit plan and an internal audit program for each financial year; and
- advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to risk and risk management.

### 2.7.1 AUDITS COMPLETED

The table below provides detail on audits completed:

AREA	DEPARTMENT	NUMBER OF HOURS	DATE COMPLETED
PERFORMANCE MANAGEMENT QUARTER 1	Strategic	80	21 November 2024
PERFORMANCE MANAGEMENT QUARTER 2	Strategic	80	14 May 2025
PERFORMANCE MANAGEMENT QUARTER 3	Strategic	80	13 June 2025
PERFORMANCE MANAGEMENT QUARTER 4	Strategic	80	August 2025



AREA	DEPARTMENT	NUMBER OF HOURS	DATE COMPLETED
ENTERPRISE RISK MANAGEMENT	Strategic	80	Moved to 2025/2026
OCCUPATIONAL HEALTH AND SAFETY	All departments	40	Moved to 2025/2026
ICT REVIEW: ACCESS CONTROLS	Corporate & Strategic	40	Moved to 2025/2026
GRANTS	Finance	160	12 June 2025
INVENTORY MANAGEMENT	Finance	160	Moved to 2025/2026
STAFFING REGIULATIONS	Corporate	160	10 June 2025
PAYROLL	Finance	208	Moved to 2025/2026
ASSET MANAGEMENT	Finance	240	Moved to 2025/2026
GOVERNANCE STRUCTURES & ETHICS	All departments	80	Moved to 2025/2026
SUPPLY CHAIN MANAGEMENT	Finance	144	Moved to 2025/2026
CONTRACT MANAGEMENT	All departments	40	Moved to 2025/2026
Total hours		1512	

Table 29: Audits completed

## 2.8 BY-LAWS AND POLICIES

Section 11 of the MSA gives Council the executive and legislative authority to implement by-laws and policies. No by-laws were developed or revised during the current financial year. Below is a list of all the policies developed and reviewed:

POLICIES DEVELOPED/REVISED	DATE ADOPTED	PUBLIC PARTICIPATION CONDUCTED PRIOR TO
CREDIT CONTROL AND DEBT COLLECTION POLICY	29 May 2025	N/A
SUPPLY CHAIN MANAGEMENT POLICY	29 May 2025	N/A
VIREMENT POLICY	29 May 2025	N/A
CASH MANAGEMENT AND INVESTMENT POLICY	29 May 2025	N/A
BORROWING POLICY	29 May 2025	N/A
FUNDING AND RESERVE POLICY	29 May 2025	N/A
ASSET MANAGEMENT POLICY	29 May 2025	N/A
RISK MANAGEMENT POLICY	29 May 2025	N/A
ANTI-CORRUPTION AND FRAUD PREVENTION POLICY	29 May 2025	N/A
BUDGET POLICY	29 May 2025	N/A
UNFORESEEN AND UNAVOIDABLE EXPENDITURE POLICY	29 May 2025	N/A
TARIFF POLICY	29 May 2025	N/A
WHISTLE BLOWING POLICY	29 May 2025	N/A
THE RELIEF FUND POLICY	29 May 2025	N/A
INFRASTRUCTURE PROCUREMENT POLICY	29 May 2025	N/A
MUNICIPAL ENTITIES POLICY	29 May 2025	N/A
TRAVEL AND SUBSISTENCE POLICY – IMPLEMENTATION TO BE DELAYED FOR FURTHER DISCUSSION WITH THE UNIONS, POLICY WILL BE RE-SUBMITTED TO COUNCIL SHOULD ANY CHANGES FLOW FROM UNION INPUTS	29 May 2025	N/A
TOOLS OF TRADE POLICY	29 May 2025	N/A
OVERTIME POLICY	29 May 2025	N/A
RECRUITMENT AND SELECTION POLICY	29 May 2025	N/A
ANNUAL LEAVE	29 May 2025	N/A
ACTING POLICY	29 May 2025	N/A
GRANTS IN AID POLICY	29 May 2025	N/A



## 2.9 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. Below is a communication checklist of the compliance to communication requirements:

COMMUNICATION ACTIVITIES	YES/NO	DATE
COMMUNICATION POLICY	Yes	26 May 2022
FUNCTIONAL COMPLAINT MANAGEMENT SYSTEMS	Yes	n/a
CUSTOMER SATISFACTION SURVEYS		

Table 31: Communication activities

Communication Unit:

COMMUNICATION UNIT	YES/NO	NUMBER OF PEOPLE IN THE UNIT	JOB TITLES
	Yes	1	Communications Officer

Table 32: Communication unit

Additional communication channels utilised:

CHANNEL	YES/NO	NUMBER OF PEOPLE REACHED
SMS SYSTEM	Yes (internally)	19 (Councillors and heads of departments)
LOCAL NEWSPAPER (COURIER)	Yes	9800

Table 33: Communication channels utilised

## 2.10 WEBSITE

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

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

DESCRIPTION OF INFORMATION AND/OR DOCUMENT	YES/NO
<b>MUNICIPAL CONTACT DETAILS (SECTION 14 OF THE PROMOTION OF ACCESS TO INFORMATION ACT)</b>	
FULL COUNCIL DETAILS	YES
CONTACT DETAILS OF THE MUNICIPAL MANAGER	YES
CONTACT DETAILS OF THE CHIEF FINANCIAL OFFICER (CFO)	YES
PHYSICAL ADDRESS OF THE MUNICIPALITY	YES
POSTAL ADDRESS OF THE MUNICIPALITY	YES
<b>FINANCIAL INFORMATION (SECTIONS 53, 75, 79 AND 81(1) OF THE MFMA)</b>	
DRAFT BUDGET	YES
ADJUSTED BUDGET	YES
ASSET MANAGEMENT POLICY	YES
INVESTMENT AND CASH MANAGEMENT POLICY	YES
SUPPLY CHAIN MANAGEMENT POLICY	YES
TARIFF POLICY	YES
SDBIP	YES
DELEGATIONS	YES
REVIEWED IDP	YES



DESCRIPTION OF INFORMATION AND/OR DOCUMENT	YES/NO
<b>MUNICIPAL CONTACT DETAILS (SECTION 14 OF THE PROMOTION OF ACCESS TO INFORMATION ACT)</b>	
<b>REPORTS (SECTIONS 52(D), 71, 72 AND 75(1)(C) AND 129(3) OF THE MFMA)</b>	
ANNUAL REPORT	YES
MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT	YES
MONTHLY BUDGET STATEMENT	YES
QUARTERLY REPORTS	YES
<b>PERFORMANCE MANAGEMENT (SECTION 75(1)(D) OF THE MFMA)</b>	
PERFORMANCE AGREEMENTS FOR EMPLOYEES APPOINTED AS PER S57 OF MSA	YES
<b>MUNICIPAL FINANCE MANAGEMENT INTERNSHIP PROGRAM (SCHEDULE 5B VOTE 10(B) OF THE DIVISION OF REVENUE ACT)</b>	
INTERNSHIP PROGRAM POLICY	NO

Table 34: Website checklist

## CHAPTER 3

### 3.1 SERVICE DELIVERY PERFORMANCE OVERVIEW WITHIN THE ORGANISATION

Performance Management is a process that measures the implementation of the organization's strategy. It is also a management tool used to plan, monitor, measure, and review performance indicators. The goal is to ensure the efficiency, effectiveness, and impact of service delivery by the municipality.

A Municipality's Performance Management System (PMS) is the primary mechanism to monitor, review, and improve the implementation of its Integrated Development Plan (IDP). It helps gauge the progress made in achieving the objectives set out in the IDP. Additionally, a Municipality's PMS must facilitate increased accountability, learning, improvement, provide early warning signals, and support decision-making.

The performance management system monitors actual performance against set targets and contractual obligations. Effective service delivery relies on the close integration of the IDP, efficient utilization of all resources, and the performance management system across all functions at the organizational and individual levels.

#### 3.1.1 LEGISLATIVE REQUIREMENTS

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

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

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

Section 32(1) of the Municipal Staff Regulations (2021) indicates that all staff members of a municipality should participate in a Performance management and development system, excluding certain staff members mentioned in the Regulation. It also indicates that the Performance and development system must be collaborative, transparent and fair and should be applied in a consultative, supportive and non-





discriminatory manner which enhances organisational efficiency, effectiveness and accountability.

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

In terms of section 46(1)(a) of the systems Act (Act 32 of 2000) a municipality must prepare for each financial year a performance report reflecting the municipality’s and any service provider’s performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

### **3.1.2 ORGANISATIONAL PERFORMANCE**

Strategic performance indicates how well the municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the municipality’s Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the Strategic Objectives and performance on the National Key Performance Indicators as prescribed in terms of section 43 of the Municipal Systems Act, 2000.

### **3.1.3 PERFORMANCE MANAGEMENT SYSTEM USED IN THE FINANCIAL YEAR 2024/25**

The municipality continues to implement performance in terms of the performance management policy that was approved by Council in 2023.

#### **a) The IDP and the Budget**

The IDP and the main budget for 2023/24 was approved by Council on 29 May 2024. As the IDP process and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

In accordance with the performance management framework, the Executive Mayor approved the Top Layer Service Delivery Budget Implementation Plan (SDBIP) on 18 June 2024. The Top layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI’s was reported on quarterly and mid-year.

#### **b) Actual Performance**

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

- The actual result in terms of the target set;
- A performance comment; and
- Actions to improve the performance against the target set, if the target was not achieved.



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

c) Monitoring of the Service Delivery Budget Implementation Plan

Municipal performance was measured as follows:

- Quarterly reports were submitted to council on the actual performance in terms of the Top Layer SDBIP.
- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of section of Section 72(1) (a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the municipality during the first half of the financial year.

## PERFORMANCE REPORT PART I

This section provides an overview of the key service achievements of the Central Karoo District Municipality (CKDM) that were reached during the 2024/25 financial year with regard to the deliverables achieved against the strategic objectives as captured within the IDP for the reporting period of 01 July 2024 – 30 June 2025.

### 3.2 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2024/25 in terms of the IDP strategic objectives.

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

CATEGORY		COLOUR EXPLANATION
KPI NOT YET MEASURED	n/a	KPI'S WITH NO TARGETS OR ACTUALS IN THE SELECTED PERIOD
KPI NOT MET	R	0% > = ACTUAL/TARGET < 75%
KPI ALMOST MET	O	75% > = ACTUAL/TARGET < 100%
KPI MET	G	ACTUAL/TARGET = 100%
KPI WELL MET	G2	100% > ACTUAL/TARGET < 150%
KPI EXTREMELY WELL MET	B	ACTUAL/TARGET > = 150%

Table 35: SDBIP measurement criteria

#### 3.2.1 OVERALL PERFORMANCE AS PER TOP LAYER SDBIP

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the graphs below:

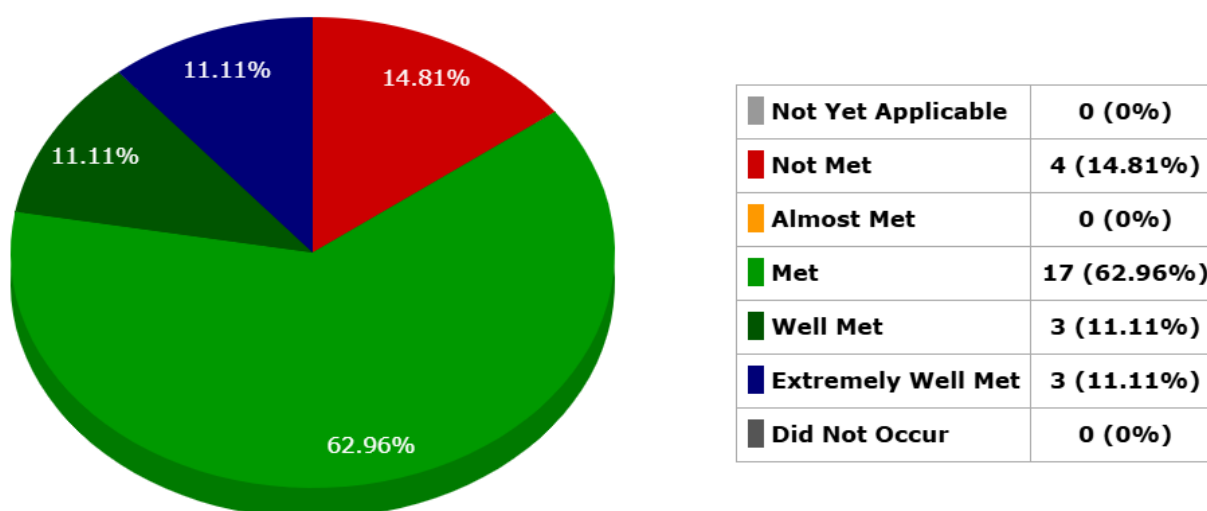
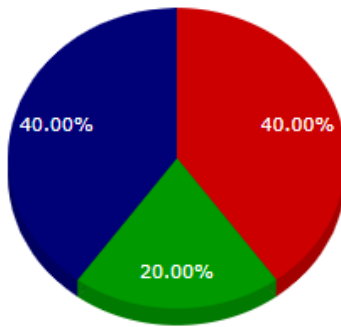


Figure 1: Overall Performance - CKDM

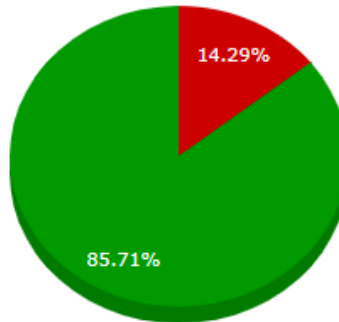


*Build a well capacitated workforce, skilled youth and communities*



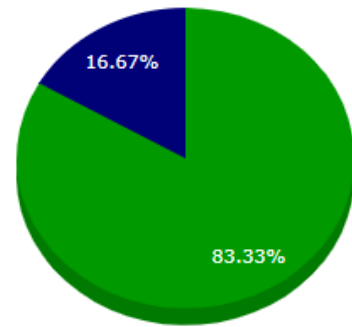
Not Yet Applicable	0 (0%)
Not Met	2 (40%)
Almost Met	0 (0%)
Met	1 (20%)
Well Met	0 (0%)
Extremely Well Met	2 (40%)
Did Not Occur	0 (0%)

*Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region*



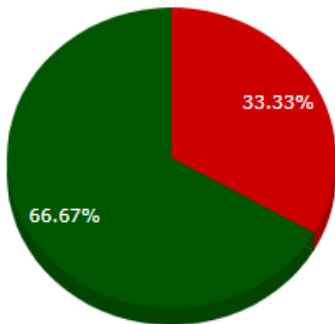
Not Yet Applicable	0 (0%)
Not Met	1 (14.29%)
Almost Met	0 (0%)
Met	6 (85.71%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)
Did Not Occur	0 (0%)

*Facilitate good governance principles and effective stakeholder participation*



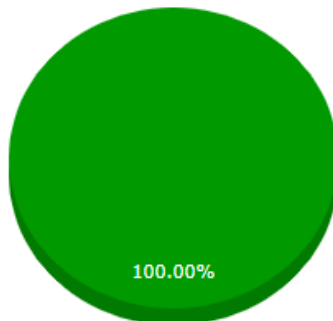
Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	5 (83.33%)
Well Met	0 (0%)
Extremely Well Met	1 (16.67%)
Did Not Occur	0 (0%)

*Improve and maintain district roads and promote safe roads transport*



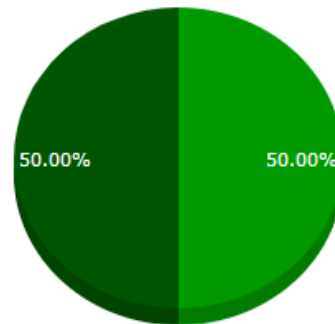
Not Yet Applicable	0 (0%)
Not Met	1 (33.33%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	2 (66.67%)
Extremely Well Met	0 (0%)
Did Not Occur	0 (0%)

*Prevent and minimize the impact of possible disasters and improve public safety in the region*



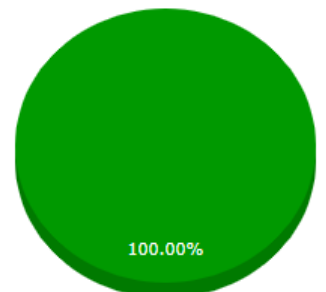
Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	1 (100%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)
Did Not Occur	0 (0%)

*Promote regional, economic development, tourism and growth opportunities*



Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	1 (50%)
Well Met	1 (50%)
Extremely Well Met	0 (0%)
Did Not Occur	0 (0%)

*Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service*



Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	3 (100%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)
Did Not Occur	0 (0%)

Figure 2: Overall Performance per Strategic Objective



3.2.2 ACTUAL PERFORMANCE AS PER TOP LAYER SDBIP ACCORDING TO STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE: 1: BUILD A WELL CAPACITATED WORKFORCE, SKILLED YOUTH AND COMMUNITIES

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL58	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2025	Proof of submission	1	0	0		0	0		0	0		1	0	[D7] Municipal Manager: Review will be done as and when necessary. (May 2025)	1	0
TL61	Spend 0.5% of the municipality's personnel budget on training by 30 June 2025 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	Report generated from the financial system	2.75%	0%	0%		0%	0%		0%	0%		0.50%	2.80%		0.50%	2.80%
TL62	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2025	Proof of submission	1	0	0		0	0		0	0		1	1		1	1
TL63	The number of people from the employment equity target groups employed (appointed) in the three highest levels of management in compliance with the municipality's approved Equity Plan as at 30 June 2025	Signed off Excel spread sheet - File Name: Personnel	1	0	0		0	0		0	0		1	8		1	2
TL64	Fill all budgeted vacant posts within 6 months from position becoming vacant in terms of	Budgeted vacant post register	NEW KPI	100%	0%	[D113] HR Manager: Should appoint a Recruitment and Selection	100%	0%	[D113] HR Manager: Assist staff to be upskilled. (December 2024)	100%	100%	[D113] HR Manager: No vacancies filled in Feb (February 2025)	100%	42%	[D113] HR Manager: MSR Procedure requires all role players	100%	35.50%



REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
	Regulation 890 (MSR)					position to streamline recruitment. (September 2024)						[D113] HR Manager: Speed up MSR requirements in terms of vacancies. (March 2025)			to perform within 6 months. (June 2025)		

Table 36: Build a well capacitated workforce, skilled youth and communities





STRATEGIC OBJECTIVE 2: DELIVER A SOUND AND EFFECTIVE ADMINISTRATIVE AND FINANCIAL SERVICE TO ACHIEVE SUSTAINABILITY AND VIABILITY IN THE REGION

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL55	Spend 90% of the municipal capital budget by 30 June 2025 {(Actual amount spent /Total amount budgeted) X100}	Capital expense report generated from the financial system	51%	10%	0%		40%	0%		65%	58%	[D4] Municipal Manager: Conclude the process on the acquisition of the fire truck and the RRAMS bakkie to increase capital spent before 30 June. (March 2025)	90%	66%	[D4] Municipal Manager: The SCM challenges have been dealt with. MM will monitor spending on a quarterly basis. (June 2025)	90%	66%
TL73	Review 19 budget related policies and submit to Council for approval by 31 May 2025	Proof of submission to Senior Clerk: Committee Services	17	0	0		0	0		0	0		19	19		19	19
TL74	Review and submit the MFMA delegation register to Council for approval by 31 May 2025	Proof of submission to Senior Clerk: Committee Services	1	0	0		0	0		0	0		1	1		1	1
TL75	Compile and submit the financial statements to the Auditor-General by 31 August 2024	Proof of submission to the Auditor-General	1	1	0		0	0		0	0		0	0		1	1
TL76	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2025 [(Short Term	Annual Financial Statements and calculation sheet	0.29%	0%	0%		0%	0%		0%	0%		5%	5%		5%	5%



REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
	Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) x 100]																
TL77	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Annual Financial Statements and calculation sheet	1.28%	0	0		0	0		0	0		1.50	1.50		1.50	1.50
TL78	Achieve a current ratio of 1:1 by 30 June 2025 (Current assets : Current liabilities)	Annual Financial Statements and calculation sheet	1.09	0	0		0	0		0	0		1	1		1	1

Table 37: Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region

STRATEGIC OBJECTIVES 3: FACILITATE GOOD GOVERNANCE PRINCIPLES AND EFFECTIVE STAKEHOLDER PARTICIPATION

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	Corrective Measures	Target	Actual	Corrective Measures	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL56	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2025	Proof of submission	1	0	0		0	0		0	0		1	1		1	1
TL57	Complete 80% of the audits as per the RBAP by 30 June 2025 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	RBAP, Quarterly progress reports and minutes of the Audit Committee	67%	0%	0%		0%	0%		0%	0%		80%	80%		80%	80%
TL59	Submit the draft Annual Report in Council by 31 January 2025	Proof of submission	1	0	0		0	0		1	1		0	0		1	1
TL60	Review Corporate and HR policies and submit to Council for approval by 30 June 2025	Proof of submission	3	0	0		0	0		0	5	[D109] HR Manager: Career Planning, Cellphone, Intoxication, Salary Deductions, Travel and Accommodation (February 2025)	2	0	[D109] HR Manager: Reported in Feb (June 2025)	2	5
TL67	Develop the IDP and Budget Process Plan and submit to Council by 31 August 2025	Proof of submission	1	1	1		0	0		0	0		0	0		1	1
TL68	Submit the final IDP to Council by 31 May 2025 for approval	Proof of submission	1	0	0		0	0		0	0		1	1		1	1

Table 38: Facilitate good governance principles and effective stakeholder participation

Strategic Objectives 4: Improve and maintain district roads and promote safe roads transport																	
Ref	KPI Name	Source of Evidence	Past Year Performance	Quarter ending September 2024			Quarter ending December 2024			Quarter ending March 2025			Quarter ending June 2025			Overall Performance 2024/25	
				Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual	Corrective Measures	Target	Actual
TL79	Create job opportunities in terms of skills and labour needs within identified road projects by June 2025	Statistics submitted and temporary worker employment contracts	51	0	0	Not applicable, no target for quarter one.	10	0	Stability in senior management will ensure that strategic targets are prioritised and met.	20	39	Not applicable, target met.	40	43	Not applicable, target met.	40	43
TL80	Spend 95% of the total approved Roads budget by 30 June 2025 [(Actual expenditure divided by approved allocation received) x100]	Summary of Road Capital Expenses from Financial System (Claimed)	101.36%	10%	0%	Stability in senior management will ensure that strategic targets are prioritised and met.	40%	0%	Stability in senior management will ensure that strategic targets are prioritised and met.	65%	74%	Not applicable, target met.	95%	98.93%	Not applicable, target met.	95%	98.93%
TL81	Regravel 40 kilometres of road by 30 June 2025	Signed off project file	22.19	10	0	Stability in senior management will ensure that strategic targets are prioritised and met.	20	0	Stability in senior management will ensure that strategic targets are prioritised and met.	30	23	[D167] Senior Manager: Roads and Infrastructure: The bulk of the operations and resources has been shifted towards regravelling to ensure that we either meet the target or get very close to meeting the target. (March 2025)	40	19.45	[D167] Senior Manager: Roads and Infrastructure: We experienced heavy rain damage in 2024/2025 Financial year, resulting in us not reaching our target. (June 2025)	40	19.45

Table 39: Improve and maintain district roads and promote safe roads transport

STRATEGIC OBJECTIVES 5: PREVENT AND MINIMIZE THE IMPACT OF POSSIBLE DISASTERS AND IMPROVE PUBLIC SAFETY IN THE REGION

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	Corrective Measures	Target	Actual	Corrective Measures	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL72	Review the Disaster Management Plan and submit to Council by 31 May 2025	Proof of submission	0	0	0		0	0		0	0		1	1		1	1

Table 40: Prevent and minimize the impact of possible disasters and improve public safety in the region





STRATEGIC OBJECTIVES 6: PROMOTE REGIONAL, ECONOMIC DEVELOPMENT, TOURISM AND GROWTH OPPORTUNITIES

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	Corrective Measures	Target	Actual	Corrective Measures	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL65	Develop and submit LED Strategy to Council by 31 May	Proof of submission	NEW KPI	0	0		0	0		0	0		1	1		1	1
TL66	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2025	Signed contracts	52	0	0		0	0		0	0		40	48		40	48

Table 41: Promote regional, economic development, tourism and growth opportunities



STRATEGIC OBJECTIVES 7: PROMOTE SAFE, HEALTHY AND SOCIALLY STABLE COMMUNITIES THROUGH THE PROVISION OF A SUSTAINABLE ENVIRONMENTAL HEALTH SERVICES

REF	KPI NAME	SOURCE OF EVIDENCE	PAST YEAR PERFORMANCE	QUARTER ENDING SEPTEMBER 2024			QUARTER ENDING DECEMBER 2024			QUARTER ENDING MARCH 2025			QUARTER ENDING JUNE 2025			OVERALL PERFORMANCE 2024/25	
				TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL	Corrective Measures	Target	Actual	Corrective Measures	TARGET	ACTUAL	CORRECTIVE MEASURES	TARGET	ACTUAL
TL69	Compile and submit bi-annual Water Quality Evaluation Reports to the Beaufort West, Prince Albert & Laingsburg Water Service Authorities by 30 June 2025	Reports & proof of dispatch via email to Water Service Authorities (WSA's	6	0	0		3	3		0	0		3	3		6	6
TL70	Compile and submit annual Waste Management Evaluation Report to the Beaufort West, Prince Albert & Laingsburg municipalities by 30 June 2025	Reports & proof of dispatch via email to Local Authorities	3	0	0		0	0		0	0		3	3		3	3
TL71	Compile and submit bi-annual Informal Settlement Evaluation Reports for Kwa-Mandlenkosi, Merweville & Murraysburg to the Beaufort West municipality & Prince Albert & Klaarstroom to the Prince Albert Municipality by 30 June 2025	Reports & proof of dispatch via email to Local Authorities	10	0	0		5	5		0	0		5	5		10	10

Table 42: Promote regional, economic development, tourism and growth opportunities

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### 3.3 SERVICE PROVIDERS PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to the AG's office:

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

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



## 3.4 MUNICIPAL FUNCTIONS

### 3.4.1 ANALYSIS OF FUNCTIONS

The table below indicates the functional areas that the municipality are responsible for in terms of the Constitution:

MUNICIPAL FUNCTION	MUNICIPAL FUNCTION (YES / NO)
<b>CONSTITUTION SCHEDULE 4, PART B FUNCTIONS:</b>	
AIR POLLUTION	YES
BUILDING REGULATIONS	NO
CHILD CARE FACILITIES	NO
DISASTER MANAGEMENT & FIREFIGHTING SERVICES	ONLY RESPONSIBLE FOR COORDINATING TRAINING AND STANDARDISATION OF ALL FIRE SERVICES AT ALL B-MUNICIPALITIES IN THE DISTRICT. FIRE DEPARTMENTS SITUATED AT LOCAL MUNICIPALITIES
LOCAL TOURISM	YES
MUNICIPAL PLANNING	YES
MUNICIPAL HEALTH SERVICES	YES
<b>CONSTITUTION SCHEDULE 5, PART B FUNCTIONS:</b>	
LICENSING AND CONTROL OF UNDERTAKINGS THAT SELL FOOD TO THE PUBLIC	YES
NOISE POLLUTION	NO
POUNDS	NO
PUBLIC PLACES	NO
REFUSE REMOVAL, REFUSE DUMPS AND SOLID WASTE	NO
STREET TRADING	NO
STREET LIGHTING	NO
TRAFFIC AND PARKING	NO

Table 43: Municipal Function

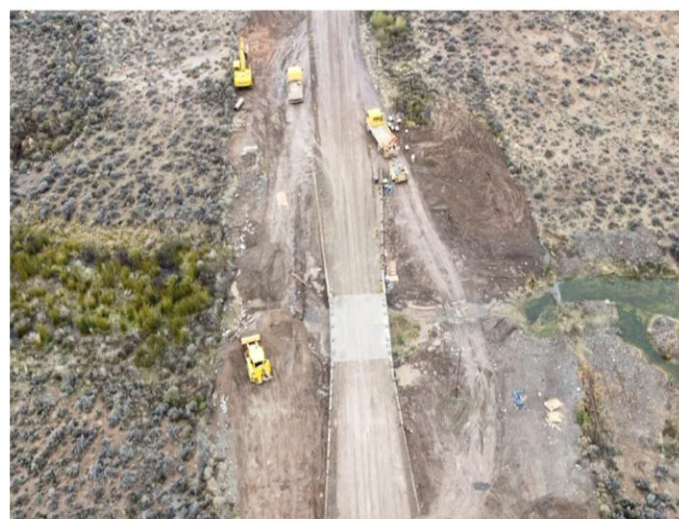


## 3.5 COMPONENT A: ROAD INFRASTRUCTURE SERVICES

### 3.5.1 ROAD MAINTENANCE AND CONSTRUCTION

The maintenance of rural proclaimed roads is a Provincial function and the Central Karoo District Municipality performs the function for the Western Cape Department of Transport and Public Works (WCDTPW) on allocated roads as an agent regulated by a financial and service delivery agreement between the Municipality and the infrastructure branch of the Department.

Maintenance of roads in the region are done by the Units stationed in the four municipal areas of the region including Beaufort West, Murraysburg, Prince Albert and Laingsburg.



*Roads Infrastructure projects*



### 3.5.2 PROVINCIAL ROADS ALLOCATED FOR MAINTENANCE AND CONSTRUCTION

The tables below provide details of provincial roads maintained and constructed during 2024/25:

ROADS	MAINTAINED 2023/24	MAINTAINED 2024/25
	KM'S	
Trunk road	0.00	0.00
Main road	629.95	629.95
Divisional road	1691.36	1691.36
Minor road	1188.68	1188.68
<b>TOTAL</b>	<b>3636.30</b>	<b>3636.30</b>

Table 44: Provincial roads allocated for maintenance

ROADS	BLADED 2023/24	BLADED 2024/25
	KM'S	
Trunk road	116.35	187
Main road	1531.95	2053
Divisional road	3205.18	3755
Minor road	669.38	691
<b>TOTAL</b>	<b>5522.86</b>	<b>6686</b>

Table 45: Provincial roads allocated for construction

ROADS	REGRAVELLED 2022/23	REGRAVELLED 2023/24
	KM'S	
Trunk road	8.92	2.10
Main road	0.00	3.45
Divisional road	13.27	13.90
Minor road	0.00	0.00
<b>TOTAL</b>	<b>22.19</b>	<b>19.45</b>

Table 46: Provincial roads allocated for gravel

### 3.5.3 EMPLOYEES: ROAD INFRASTRUCTURE SERVICES

The table below indicates the number of employees in the Road infrastructure services for the 2024/25 financial year:

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES*	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary	38	81	16		



JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES*	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
0 – 3	52	58	57	1	1%
4 – 6	8	8	6	2	25%
7 – 9	32	35	32	3	8%
10 – 12	10	12	12	0	0%
13 – 18	7	6	5	1	16%
Sect. 57	0	0	0	0	
Total (Permanent)	100	119	112	7	6%

*\*Temporary employees are not included in the budgeted posts of the municipality*

*End 2020- 5% vacancy rate  
End 2021 – 16% vacancy rate  
End 2022 – 4,7% vacancy rate  
End 2023 – 11,5% vacancy rate  
End 2025 – 6% vacancy rate average*

Table 47: Employees Road Transport

### 3.5.4 TOTAL EXPENDITURE: ROAD INFRASTRUCTURE SERVICES

The table below indicates the expenditure (including capital expenditure) for the Roads Transport Unit:

EXPENDITURE (INCL. CAPITAL EXPENDITURE)	2024/25			
	BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	VARIANCE FROM ADJUSTMENT BUDGET
(R)				
Total Expenditure	65 335	65 335	60 313	6.6%
<b>TOTAL</b>	<b>65 335</b>	<b>65 335</b>	<b>60 313</b>	<b>6.6%</b>

Table 48: Total expenditure 2024/25: Road Infrastructure Services

## 3.6 COMPONENT B: STRATEGIC SUPPORT SERVICES

### 3.6.1 LOCAL ECONOMIC DEVELOPMENT (LED)

#### 3.6.1.1 HIGHLIGHTS: LOCAL ECONOMIC DEVELOPMENT

The following performance highlights with regard to the implementation of the LED strategy are:

HIGHLIGHTS	DESCRIPTION
Development of the LED Strategy	The LED Strategy was developed and approved by the Council on 27 May 2025
Four (4) Small, Medium and Macro Enterprises workshops were conducted.	To empower emerging and existing entrepreneurs with the necessary skills and knowledge to start or grow their businesses.

Table 49: LED Highlights



### 3.6.1.2 CHALLENGES: LOCAL ECONOMIC DEVELOPMENT

Challenges with regard to the implementation of the LED strategy are:

DESCRIPTION	ACTIONS TO ADDRESS
The position of the LED officer has been vacant for the past years. Although the position was advertised a few times, a suitable candidate could not be found	The position will be advertised again in the new financial year.
Lack of budget for implementation of the Strategy.	Avail budget for the implementation of the LED Strategy.
No proper strategies in place to solicit funding for SMMEs	Public/private partnerships with funding institutions like SEFA to ensure SMMEs are financially supported for the effective implementation of initiatives in the Central Karoo
Lack of partnerships with the private sector to ensure collaboration in the implementation of the strategy.	Establishment of District-Wide Business Chambers to form partnerships with the private sector.
Land availability for catalytic projects.	Engagement with the B-municipalities to avail land for projects.

Table 50: LED challenges

### 3.6.1.3 PRIORITIES AND ACTION PLANS: LOCAL ECONOMIC DEVELOPMENT

The LED Strategy is a sector plan that forms part of the IDP. The purpose of the District LED Strategy is to support pro-poor economic growth and job creation through an integrated approach. Several areas are mentioned in this regard, incorporating new business creation, improving infrastructure, attracting inward investment, strengthening the LED capacity, encouraging local procurement, improving skills and knowledge.

The Strategy was reviewed, and an implementation will be developed to ensure its implementation.

### 3.6.1.4 EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT

The table below indicates the number of employees in the LED Unit for the 2024/25 financial year:

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary					
0 – 3					
4 – 6					
7 – 9					
10 – 12		1	0	1	100%
13 – 16		1	0	1	100%
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>100%</b>

Table 51: Employees LED

## 3.6.2 TOURISM

Our primary purpose is to actively introduce the potential of the region within its frontier throughout the Western Cape, the country as a whole and in foreign countries where possible.

It is important to coordinate the marketing actions of local government, private sectors and other institutions within the area to utilise the tourism potential optimally.

Parallel to this is the continuous expansion of new tourism experiences and the enhancement of current activities and destinations.



One of the biggest challenges in the district to drive tourism is the lack of a dedicated person for tourism development and marketing.

### 3.6.2.1 CHALLENGES: TOURISM

DESCRIPTION	ACTIONS TO ADDRESS
Lack of Transformation initiatives	Municipalities must assist local tourism offices with transformation initiatives
Designated officials to deal with Tourism	Municipalities to appoint designated officials
Insufficient budget allocation	Municipalities need to increase their financial support of LTO's especially in terms of marketing and development funding

Table 52: Tourism challenges

### 3.6.2.2 INITIATIVES: TOURISM

INITIATIVE	PROPOSALS
Implementation of the tourism action plan	Budget allocation for tourism initiatives and sourcing of funds to implement projects and programmes in the tourism action plan.
Small Micro and Medium Enterprises (SMME) development program	Engaged with the Small Enterprise Development Agency (SEDA) for training of new businesses and a constant reporting on progress made.
Film and Media Readiness	To engage local municipalities on the issuing of permits for film and media implementation in the district.
Extensive tourism marketing campaigns in the district.	To form partnerships with WESGRO, DEDAT, LTO's and other stakeholders to package tourism products in the region and embark on extensive marketing campaigns to attract more tourists into the region.

Table 53: Tourism initiatives

### 3.6.2.3 EMPLOYEES: TOURISM

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary					
0 – 3					
4 – 6					
7 – 9					
10 – 12					
13 – 16					
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 54: Employees Tourism

## 3.6.3 JOB CREATION PROJECTS

### 3.6.3.1 EXTENDED PUBLIC WORKS PROGRAMME (EPWP)

The Expanded Public Works Programme (EPWP) has its origins in Growth and Development Summit (GDS) of 2003. At the Summit, four themes were adopted, one of which was 'More jobs, better jobs, decent work for all'. The GDS agreed that public works programmes 'can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities.

This Programme is a key government initiative, which contributes to Government Policy Priorities in terms of decent work & sustainable livelihoods, education, health; rural development; food security & land reform and



the fight against crime & corruption. EPWP subscribes to outcome 4 which states “Decent employment through inclusive economic growth.” The EPWP has been established and mandated by Cabinet to create work opportunities according to the set targets and across all its four sectors, namely: – Infrastructure, Non-State, Environment & Culture, and Social sectors. One of the prescripts of the EPWP is to use labour-intensive methods which allow the drawing of a significant number of participants into the Programme to do the work.

### 3.6.3.2 EXTENDED PUBLIC WORKS PROGRAMME (EPWP) HIGHLIGHTS

"Municipalities sign protocol agreements every five years with the National Department of Public Works and Infrastructure. This protocol agreements outline the number of work opportunities (WO) and the number of full-time equivalents (FTE's) for each financial year within the five-year period.

The performance for CKDM for the 2024/25 financial year was as follows: -

CATEGORY	TARGETS	ACHIEVEMENT AGAINST TARGETS	PREVIOUS YEAR'S PERFORMANCE
WORK OPPORTUNITIES (WO)	53	194	161
FULL-TIME EQUIVALENTS (FTE'S)	18	48	40

Table 55: EPWP Performance 2024/25

## 3.7 COMPONENT C: MUNICIPAL HEALTH

The Central Karoo District Municipality (CKDM) is sanctioned by legislation to provide Municipal Health Services (MHS) within its area of jurisdiction.

The National Health Act, 2003 (Act 61 of 2003) defines municipal health as environmental health. Environmental health means a condition of optimal wholesomeness of the environment in which man exists and interacts with through the lowest possible presence therein or total absence any stimuli detrimental to human health.



of

In terms of Section 1 of the National Health Act, 2003 (Act 61 of 2003) Municipal Health Services are defined as:

- Water Quality Monitoring;
- Waste Management and Monitoring;
- Food Control;
- Health Surveillance of Premises;
- Environmental Pollution Control;
- Communicable Diseases Control;
- Chemical Safety;
- Vector Control; and
- Management of Human Remains.

The Air Quality & Integrated Waste Management functions are also performed by the Section.

Our staff component consists of one (1) Manager, one (1) Senior Clerk and seven (7) operational Environmental Health Practitioners (EHP's), of which one (1) EHP is also the designated Air Quality and Waste Officer for the district.

Services are rendered in ten (10) communities in the Central Karoo Region, namely Beaufort West, Murraysburg, Nelspoort, Merweville, Prince Albert., Leeu-Gamka, Klaarstroom, Prince Albert Road, Laingsburg and Matjiesfontein, as well as in the rural areas of the Beaufort West, Prince Albert and Laingsburg districts.

The Section has four (4) overarching strategic goals in order to strengthen our services.



For each of the respective goals, various objectives, action plans and time frames were set for achieving them.

Our strategic goals are as follow:

*a) Build Capacity*

- To establish a well capacitated / equipped Section in terms of staff, tools of trade, finances and professional development.

*b) Foster Collaboration with Role Players*

- To establishment of a good foundation for cooperation between role players and a collaborative culture with the focus on common goals in terms of the environment and public health.

*c) Empower Communities Through Training & Education*

- Bring changed and improved health & hygiene habits, serving as a barrier to diseases as well as empowered communities that become advocates for public health.

*d) Execute / Enhance Specific Programs / Services*

- i.e. water quality monitoring, waste management & monitoring, environmental pollution control, food control, health surveillance of premises, communicable diseases control, chemical safety, vector control and the management of human remains.

Aware of the constitutional right of every citizen to an environment that is not harmful to his or her health or well-being, and the principles that underlie the National Health Act, 2003 (Act 61 of 2003) as well as the National Environmental Management Act, 1998 (Act 107 of 1998), the Section seeks to protect and promote the health and well-being of all our residents in the Central Karoo district by providing, in conjunction with applicable laws, a sustainable, cost-effective and responsible municipal health service.

### 3.7.1 Highlights: Municipal Health

HIGHLIGHTS	DESCRIPTION
Section awarded a Bronze Certificate of Recognition	<p>The Western Cape Government held an Award Ceremony on the 19<sup>th</sup> of May 2025 in Cape Town.</p> <p>The Section MHS of the CKDM received a Bronze Certificate for outstanding performance and adherence to the Environmental Health Norms and Standards.</p> <p>Municipalities across the province were evaluated on key areas of municipal health service delivery, compliance and efficiency.</p> <p>The top three performing municipalities were:</p> <ul style="list-style-type: none"> <li>• Garden Route District Municipality – 1st place</li> <li>• City of Cape Town – 2nd place</li> <li>• Central Karoo District Municipality – 3rd place</li> </ul>
Section scores 100% In SALGA National Assess-ment	<p>The objective of the assessment was to review how municipal health services and challenges are incorporated into the Integrated Development Plan (IDP) &amp; Service Delivery &amp; Budget Implementation Plan (SDBIP). The review also focused on the coherence between our municipal health plans &amp; the national &amp; provincial priorities, etc.</p> <p>Furthermore, it assesses if measurable indicators &amp; targets for MHS were reflected in the IDP &amp; SDBIP, enabling effective monitoring &amp;</p>





HIGHLIGHTS	DESCRIPTION
	<p>evaluation of service delivery outcomes. The assessment also looked at how MHS initiatives were integrated with other mun. functions, etc.</p> <p>Of the municipalities that were evaluated in the country, the Section was one of only two municipalities that were able to achieve a score of 100%.</p>

Table 56: Highlights Municipal Health

### 3.7.2 Challenges: Municipal Health

*The table below reflects some of the challenges.*

DESCRIPTION	ACTION TO ADDRESS
Rendering of additional, non-mandated services	<p>Additional responsibilities outside the MHS scope of practice, re. Air Quality Management &amp; Integrated Waste Management, require the appointment of additional staff in this field (mining activities etc.)</p> <p>Air quality management tools are required to effectively fulfil air quality management functions. Such tools include emissions inventory software, dispersion modelling software and air quality monitoring hardware.</p> <p>Monitoring options include continuous ambient air quality monitoring stations or passive sampling methods. A mobile monitoring station is the recommended option for the district as this will allow for 'hotspot' monitoring in identified areas of concern.</p>
Water quality, quantity & access to water	<p>Providing and maintaining safe drinking water are central to alleviating poverty and improving the quality of life of people.</p> <p>Municipalities must submit Business Plans to DWA&amp;S in order to obtain funding for a survey &amp; project roll-out in rural areas in order to address issues w.r.t. water quality, quantity &amp; access to water and sanitation facilities for the affected households.</p>
Landfill sites not complying to permit conditions & legislative requirements	<p>Improper management of solid waste is one of the main reasons for environmental pollution and degradation in our communities.</p> <p>It is important that landfills are located, designed, operated and monitored to ensure that they do not, to any significant extent, harm the environment, endanger human health, create an unacceptable risk to water, soil, atmosphere, plants or animals or create unacceptable nuisances etc.</p> <p>These poorly operated landfill sites in the Central Karoo impact on the environment and cause nuisances to our communities.</p> <p>Municipalities need to comply with applicable NEM: WA requirements &amp; Norms &amp; Standards, etc. for solid waste management and, where necessary, get technical assistance from the WC Directorate Waste Management, with the aim to</p>



DESCRIPTION	ACTION TO ADDRESS
	improve the construction, management and operation of waste management facilities in the Central Karoo region.
Illegal dumping of waste / littering	<p>The uncontrollable and / or illegal dumping of refuse as well as the insufficient and irregular removal of refuse within some residential areas of our district are one of the biggest nuisances in communities. The most common observation is that littering and illegal dumping occur throughout the urban areas of the Central Karoo District. The occurrence of illegal dumping is especially prominent in Beaufort West.</p> <p>It seems that municipalities have limited resources to ensure that all areas prone to illegal dumping are cleaned-up and kept clean at all times. Innovative ways to get other stakeholders involved is necessary to help municipalities to clean up their communities.</p> <p>The affected municipalities must also make budget provision and / or get some kind of support to investigate waste collection service options, alternative management options for specific conditions etc.</p> <p>Other actions may include updated litter laws, anti-litter campaigns, stop littering signs, putting UP proper litter bins, etc.</p>
Recycling facilities / reduce, re-use and recycling activities	<p>More appropriate and sustainable approaches to waste needs to be adopted.</p> <p>Municipalities in the Central Karoo also need to identify a set of practical initiatives which can be aligned to the three national themes such as Anti-Litter, Waste Minimization and creating jobs in waste.</p> <p>Funds, where possible, must be utilized for the purchasing of suitable containers for placement at strategic points for the disposal of e-waste, batteries and fluorescent bulbs and the transport thereof to relevant facilities, as well as public awareness campaigns.</p>
Sewer blockages	It is important that municipalities take the necessary steps in order to ensure that sewerage systems function effectively and ensure that the affected public area(s) are thoroughly cleaned and disinfected to reduce the risk of disease & conditions detrimental to the environment.
Informal settlements	<p>Broken taps and the distance to taps in use, make it difficult to access water in some cases. This compromise personal hygiene, especially during this Covid pandemic. Some taps do not close properly and some of the pipes are open, vandalized and leaking. Water connections are also made to some structures.</p> <p>Sanitation is a big challenge at some informal settlements. Toilets are non-functional forcing the residents to use the</p>



DESCRIPTION	ACTION TO ADDRESS
	<p>nearby veld. This constitutes a health nuisance and can result in the transmission of diseases like Cholera, diarrhea, Hepatitis, etc.</p> <p>Dumping of waste on the comanage indicates that refuse removal is not satisfactory.</p> <p>The Constitution, Water Services Act and Municipal Systems Act set out the local government obligations to provide basic municipal services, with a particular focus on the basic needs of the community and the promotion of social and economic development of the community.</p>
Uncontrolled keeping of animals	<p>Keeping of an inappropriate number of animals, animals being accommodated inappropriately, or where animals are not being cared for properly, result in circumstances that cause nuisance to neighbours; create unclean or unhealthy conditions for people, animals &amp; the environment.</p> <p>Municipalities need to Inform communities on a regular basis of the circumstances in which the keeping of animals is prohibited and that owners require approval from a Municipality to keep animals. Municipalities should also encourage the responsible keeping of animals by ensuring animals are kept in appropriate conditions.</p> <p>Municipalities are primarily responsible for controlling the keeping of animals and should be better capacitated in order to perform this function effectively.</p>

*Table 57: Challenges Municipal Health*

### 3.7.3 Activities:

Municipal Health inspections and investigations are handled as guided by Section 82-83 of the National Health Act in order to ensure compliance with the Act.

The Norms and Standards for Environmental Health clearly outline the monitoring standards for the delivery of quality Environmental Health Services, as well as acceptable standards requirements for surveillance of premises, such as business, state occupied premises, as well as for the prevention of environmental conditions that may constitute a public health hazard.

Residential, business and public premises are monitored in order to identify, assess, control and manage health hazards and risks emanating from the use of such premises. The risk profile of the premises informs the frequency of EH inspections of premises.

Inspection checklists are developed and implemented for every inspection conducted.

Environmental Health inspections of premises are unannounced. All conditions that are likely to create a health hazard or risk are investigated and appropriate action taken where necessary.

An inspection report that includes the relevant health recommendations is issued by EHP'S to the person in charge or owner of a premises after every inspection conducted. Health education also forms an integral part of all EH inspections conducted.

All non-conformances are followed up by follow-up inspections. For continued non-compliance or in cases where health nuisances and hazards exist, compliance notices are issued in terms of Section 82 and 83 of the National Health Act, 2003 (Act 61 of 2003), prescribing the nature of the offence and the



corrective actions that should be taken within a prescribed time period. If non-conformances still exist upon follow up inspections are conducted and a warning notice issued with a compliance period.

A municipal health "system", developed by this Section, ensures quick access to information with regards to municipal health services and other necessary information in the field of municipal health. The system is updated on a continuous basis to ensure effective management and recordkeeping of municipal health services in the Central Karoo district.

### 3.7.3.1 Water Quality Monitoring

Objective:

To ensure effective management of all water resources and supply of potable drinking water, which meets the minimum requirements of S.A. National Standards for Water Quality, SANS 241.

Activities:

#### *a) Water Quality Monitoring: Water Service Authorities (WSA's):*

- Providing and maintaining safe drinking water are central to alleviating poverty and improving the quality of life of people.
- EHP's support the Drinking Water Quality Management function of Water Service Authorities by assuming the primary responsibility for health and hygiene education related to water and sanitation services and undertaking drinking water quality monitoring as a routine audit function at point-of-use.
- A water quality monitoring plan of this Section is in place, costed and implemented for monitoring of drinking water supplies
- Samples were taken to detect problems - should a sample not comply; the relevant Water Service Authority was notified in order to take the necessary steps to rectify the problem.
- In order to ensure credible results, SANAS 17025:2005 accredited laboratories were used for the analysis of water samples.
- 77 water samples for bacteriological analysis were taken during the reporting period.
- 57 (74%) of the samples taken were compliant to the SANS 241 Standards for Water Quality.
- All sample results were provided to the various WSA's.
- All water sample results received from the laboratory were captured on the Section's database.

#### *b) Bi-annual Water Quality Evaluation Reports to WSA's*

- Bi-annual Evaluation Reports on the status of water quality were sent to all WSA's in the district during December 2024 and June 2025.
- These evaluation reports aim to:
  - Serve as a source of information to the relevant WSA.
  - Promote safe access to safe potable water.
  - Promote continuous effective water quality management in the district.

### 3.7.3.2 Waste Management and Monitoring

Objective:

To effectively monitor waste management systems, refuse, health care, waste and sewage to promote a cleaner, healthier and safer environment for all.

Activities:

#### *a) Monitoring of Liquid Waste Sites*

- Sewage disposal works must be operated in accordance with prescribed legislation and permit conditions.
- The monitoring of liquid waste sites was conducted on a monthly basis.
- 40 inspections were conducted at liquid waste sites during the reporting period.



*b) Sewerage Sampling*

- Sewerage samples were taken on a quarterly basis.
- A SANAS accredited laboratory was used for the analysis of sewerage samples, in order to ensure credible results.
- 18 samples for bacteriological analysis were taken during the reporting period.
- 15 (83%) of the samples taken did comply to the set standards.
- All sample results were sent to the various WSA's.
- All sewerage results received from the lab. were captured on the Section's database.

*c) Monitoring of Solid Waste Sites*

- Category B-Municipalities are key players in dealing with general non-hazardous waste and must provide waste management services, including waste removal, waste storage and waste disposal services, as per Schedule 5b of the Constitution and in line with national norms and standards.
- It is important that landfills are located, designed, operated and monitored to ensure that they do not, to any significant extent, harm the environment, endanger human health, create an unacceptable risk to water, soil, atmosphere, plants or animals or create unacceptable nuisances through noise or odours and adversely affect the environment.
- The monitoring of solid waste sites was conducted on a monthly basis.
- 45 inspections were conducted at landfill sites during the reporting period.

*d) Annual Waste Management Evaluation Reports to Cat. B-Municipalities*

- Annual Reports on the current status of all solid waste sites, illegal dumping of waste, littering, recycling initiatives, proposed actions etc. were sent to all local municipalities in the district during June 2025.
- These evaluation reports aim to:
  - Serve as a source of information to the relevant municipality.
  - Eliminate any conditions harmful or injurious to human health.
  - Promote effective waste management in the district.

*e) 3<sup>rd</sup> Generation Integrated Waste Management Plan*

Our Integrated Waste Management Plan (IWMP) was approved by Council during the 2024/25 financial year. It is a statutory document developed in compliance with the National Environmental Management: Waste Act (Act 59 of 2008), which requires all municipalities to develop and regularly update their IWMPs.

The 3<sup>rd</sup> Generation IWMP represents a comprehensive update and strategic roadmap for waste management in the district over the next 5–10 years.

The plan was developed through a consultative process, incorporating inputs from various stakeholders including local municipalities, community organizations and the general public. The updated plan reflects the current waste management status, identifies gaps and challenges and outlines actionable strategies to move our District towards sustainable, compliant and cost-effective waste management.

The 3<sup>rd</sup> Generation IWMP serves the following key purposes:

- A detailed analysis of current waste generation trends, service coverage, infrastructure, and institutional capacity.
- Establishes measurable goals and performance indicators aligned with national and provincial waste management objectives.
- Outlines programs and projects to be undertaken, including timelines, responsible parties, and funding considerations.

- Addresses the environmental justice implications of waste management and promotes inclusive, community-focused solutions.
- Proposes methods for ongoing monitoring and regular review to ensure effective implementation.

#### Importance of the IWMP for the Central Karoo District:

- Ensure legal compliance with national waste legislation.
- Improve the efficiency and sustainability of waste services across the district.
- Reduce environmental pollution and enhance public health.
- Foster a circular economy through waste reduction, reuse and recycling initiatives.
- Support long-term planning and investment in waste infrastructure and human capacity development.

#### 3.7.3.3 Food Control

##### Objective:

To provide consumer protection and to ensure that all foods during production, handling, storage, processing and distribution are safe, wholesome and fit for human consumption; as prescribed by law.

##### Activities:

##### *a) Monitoring of Formal and Informal Food Premises*

- One of the major core functions of this Section is Food Safety and Integrity.
- There is a total of 809 formal and informal food premises in the Central Karoo District.
- Inspections were conducted in accordance with the Regulations Relating to the Powers and Duties of Inspectors and Analysts conducting inspections and Analysis at food premises, R328 of 20 April 2007 published in terms of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No 54 of 1972), as amended, as well as other relevant legislation.
- 1 607 inspections were conducted at food premises during the reporting period.
- 165 Certificates of Acceptability (CoA's) were issued to food premises complying with the Regulations governing the General Hygiene requirements for Food Premises, the Transport of Food and related Matters (R 638 of 2018).

##### *b) Bacteriological and Chemical Sampling of Foodstuffs in terms of Foodstuffs, Cosmetics and Disinfectants Act and Regulations*

- 55 food samples were taken for analysis during the reporting period.
- 40 (73%) of the samples taken did comply with the standards as set in the Foodstuffs, Cosmetics and Disinfectants Act. (Act. 54 of 1972).

##### *c) Monitoring of Milking Sheds and Milk Sampling*

- 4 inspections were conducted at milking sheds during this reporting period.
- 19 milk samples were taken for bacteriological analysis during the period.
- 12 (63%) of the samples taken did comply to the standards set out in the Regulations with regards to Milk and Dairy products (R1555 of 1997).

##### *d) Capturing of Food Sampling Data on the Municipal Health Services Database*

- All food sample results were captured on the Section's database.

##### *e) Labelling of Foodstuffs*

- Several food products were evaluated in order to monitor compliance with the Labelling Regulations.





*f) Food poisoning*

- 2 cases of food poisoning were reported and investigated.

### 3.7.3.4 Health Surveillance of Premises

**Objective:**

To identify, monitor and evaluate health risks, nuisances and hazards and instituting appropriate remedial and preventative measures.

**Activities:**

*a) Monitoring of Public Premises*

- The National Norms and Standards for Environmental Health clearly outline monitoring standards for the delivery of quality Environmental Health Services, as well as acceptable standards requirements for the surveillance of premises.
- 327 inspections were conducted at public premises during the reporting period.
- 82 Health Certificates were issued in terms of the relevant EH Norms & Standards.

*b) Scrutinizing of Building Plans from a health point of view*

- No building plans were scrutinized during the reporting period. Plans are scrutinized in order to ensure compliance with health requirements to the National Building Act (Act 103 of 1977) & relevant Regulations as well as the National Environmental Health Norms & Standards for Premises; 2015.

*c) Monitoring of Informal Settlements*

- The district has 5 informal settlements.
- 14 inspections were conducted at informal settlements during the reporting period.

*d) Bi-annual Informal Settlement Evaluation Reports to Cat. B-Municipalities*

- Bi-annual evaluation reports on the current status of informal settlements were sent to local municipalities in the district during December 2024 and June 2025.
- These evaluation reports aim to:
  - Serve as a source of information to the relevant municipality.
  - Eliminate any harmful conditions to human health.
  - Promote a healthy and safe environment for all residents in the district.

### 3.7.3.5 Environmental Pollution Control

**Objective:**

The identification, evaluation, monitoring and prevention of the pollution of soil, water and air, in as far as it relates to health, to institute remedial action and to educate and train communities regarding environmental pollution.

**Activities:**

*a) Air Quality Management & Pollution Control:*

The AQMP of the Section form the basis of a series of strategies and programs to ensure that all the principals of sustainability are adhered to. This will also enable the meeting of current needs as well as the maintenance of our resources for the benefit of future generations.



This Plan is also a commitment to certain principles and action plans needed to ensure sustainable utilization of resources and the management of air quality in the Central Karoo District.

- 1 Air quality related complaint was received and investigated during the reporting period.

#### 3.7.3.6 Communicable Diseases Control

Objective:

The identification, investigation and monitoring of outbreaks of listed notifiable medical conditions in order to immediately institute the required corrective and preventative measures and/or the deployment of the required response teams in respect of municipal health.

Activities:

##### *a) Notifiable Medical Conditions Reported and Investigated*

- 25 notifiable medical conditions were reported during the reporting period.
- All notifications received were investigated and reports submitted to the WC DoH.

#### 3.7.3.7 Chemical safety

Objective:

To monitor, identify, evaluate and prevent risks relating to chemicals that are hazardous to humans (e.g., storing and using agricultural substances) and to investigate, per notification, all incidences of pesticide poisonings.

Activities:

##### *a) Pesticide Poisonings*

- 2 incidents of pesticide poisonings were reported. One a chemical poisoning and the other a pesticide poisoning. Both were suicide attempts.

#### 3.7.3.8 Vector Control

Objective:

To monitor, identify, evaluate and prevent vectors by the elimination or correction of conditions promoting the habits and breeding habits of vectors, and developing awareness in communities of zoonotic diseases by means of vectors and the control thereof through education and training.

Pest control in premises plays a key role in the prevention and control of major vector-borne diseases. Transmission of a disease from pest infestations can occur in both the internal and external environment of premises through contamination of equipment, surfaces, food or water.

Activities:

##### *a) Vector Control Investigations:*

- 2 057 inspections for vector infestations were conducted at food and other public premises.
- Inspections focus on the entire premises with specific attention to areas where pests are more likely to appear, such as storage areas, food preparation areas, refuse storage areas. etc.



### 3.7.3.9 Management of Human Remains

#### Objective:

To monitor compliance of funeral undertakers, mortuaries, embalmers, crematoriums, graves and cemeteries and to manage, control and monitor exhumations and reburial or disposal of human remains.

#### Activities:

##### *a) Monitoring and Supervision of Exhumations and Re-interments*

- All successful applications for exhumations / re-burials are monitored in order to ensure that exhumations / re-burials are complying with the relevant hygiene standards.
- No applications for exhumations were received or monitored.

##### *b) Monitoring of Crematoria / Funeral Parlours*

- 39 inspections were conducted during the reporting period.
- 7 Certificates of Competence (CoC's) were issued to a Funeral Parlours.

### 3.7.3.10 Training and education

#### Objective:

To raise public awareness through awareness campaigns, local and social media.

#### Activities:

##### *a) Health and Hygiene Training and Education*

- 15 municipal health related info / messages were posted on The Courier's Facebook Page.
- Several other municipal health related messages were also posted on other Facebook pages / WhatsApp Groups in the district.
- 6 Health and Hygiene training and education activities were also conducted during the reporting period.

##### *b) MHS Information Document*

- A Municipal Health Services Information Document was compiled and sent to all the local municipalities in the district.
- The purpose of this Information Document is to:
  - Promote the objectives of the Section in ensuring a safe and healthy environment, and
  - Create a bigger awareness regarding the Section's functions and responsibilities.

### 3.7.3.11 Complaints

- All Environmental health related public complaints were investigated.
- Compliance notices were issued where deemed necessary by Environmental Health Practitioners.

### 3.7.3.12 Projects

#### Objective:

To promote a safe and healthy environment.



Activities:

- 1 Project Proposal for an Environmental Cleaning Project was drafted and sent to the WC DoH, DEA: DP & DFFE in order to obtain funding.

### 3.7.3.13 Reports and Notices

a) *Inspection Reports / Notices issued*

- Water Quality Management – 21.
- Waste management – 32.
- Food Control – 928.
- Health Surveillance of Premises – 105.
- Environmental Pollution Control – 4.
- Communicable Diseases Control – 25.
- Chemical Safety – 1.
- Management of Human Remains – 21.
- Complaints – 28.

Various other reports regarding the Section's operational activities were also sent to institutions and departments during the reporting period.

### 3.7.3.14 Performance Management

The performance of the Section is measured against the Section's performance targets, which are set in accordance with the EHP's job descriptions etc.

The objective is to:

- Manage and improve services;
- Create a performance culture;
- Provide early warning signals;
- Promote accountability;
- Manage and improve poor performance; and
- Obtain sustainable improvements in municipal health service delivery.

Performance w.r.t the Section's operational & strategic KPI's was updated on the Ignite-system on a monthly basis.

### 3.7.3.15 Continuous Professional Development

Objective:

The development of adequately skilled human resources is important to ensure effective implementation of the norms and standards.

The Health Professions Council of S.A. (HPCSA) require EHP's to complete regular CPD courses in order to maintain their registration. These courses offer EHP's of the Central Karoo District Municipality the opportunity to stay current in their field and enable them to offer greater skill and insight to the services that must be rendered

Activities:

a) eCPD Registration of EHP's

- Accredited training Programmes were made available to staff to ensure competency on aspects as outlined in their scope of profession.



- AOSIS was the service provider for eCPD training to EHP's during the reporting period.

### 3.7.3.16 Registration with Health Professions Council of S.A. (HPCSA)

EHP's must register at the Health Professions Council of S.A. (HPCSA) on an annual basis on or before 30 April each year.

Activities:

#### a) HPCSA Registration

- All EHP's were registered during the reporting period.
- Proof of EHP registrations were submitted to the Manager MHS for recordkeeping

### 3.7.3.18 Employees: Municipal Health

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES NO.	POSTS NO.	EMPLOYEES NO.	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF POSTS)
				NO.	%
Temporary					
0 – 3					
4 – 6	1	1	1		
7 – 9					
10 – 12	6	6	6		
13 – 16	2	2	2		
<b>TOTAL</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>

Table 58: Employees Municipal Health

## 3.8 COMPONENT D: DISASTER MANAGEMENT & FIRE SERVICES

### 3.8.1 DISASTER MANAGEMENT

Significantly, increased urban growth, although very small, in all the towns of the Central Karoo brings rising disaster-related possibilities for the future. The likelihood of rising temperatures and increasing weather extremes expected worldwide will be mirrored in this region, which is already exposed to strong winds during July and August, rainfall and droughts extremes as well as rising temperatures.

The Central Karoo differs from the rest of the districts in the Western Cape when it comes to disasters. Floods and fires are rare to this area in comparison to the rest of the province. Slow creeping droughts occurring in this semi-desert area and the risks of accidents happening on a daily basis with the N1, N12, R61 and other routes running for ±700km through the district, are part and parcel to this area. The transport of hazardous material through the region could lead to the occurrence of disasters.

A disaster is a progressive or sudden, widespread or localised, natural or human-caused occurrence which causes or threatens to cause death, injury or disease; damage to property, infrastructure or the environment; or disruption of the life of a community; and is of a magnitude that it exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.



With the little personnel in the department, the building of good relations with other supportive role-players is critical. Excellent relationships over the years were put in place with the Provincial Traffic Department, emergency management services, the SAPS, social development, farmer's associations, SANRAL, SAN-Parks, Spoornet and private organisations.

### 3.8.1.1 HIGHLIGHTS: DISASTER MANAGEMENT

HIGHLIGHTS	DESCRIPTION
Review of the Disaster Management Plan	The Disaster Management Plan was reviewed and approved by the Council.
Revival of the Disaster Management Advisory Forum	The forum has been inactive since the resignation of the Disaster Manager in 2023
Appointment of 4 Disaster Management Interns.	The Department of Local Government, through its Disaster Management Intern Programme, funded the appointment of four disaster management interns.
Appointment of a disaster manager.	The post of disaster manager has been
Successful Donations received for the Disaster Management Centre.	The Disaster Management Centre received a clothing donation from Ackermans for disaster relief in case of an emergency.
Disaster and Fire Awareness programmes conducted at Local Primary Schools in Beaufort West.	Disaster and Fire Central Karoo Awareness in collaboration with PDMC simulations were conducted at the following schools: John D Crawford Primary School, Niko Brumer Primary School, Beaufort West Primary School, and HM Dlikidla Primary School.
A workshop in collaboration with the Department of Social Development and the Red Cross Society of South Africa.	Train disaster management officials how to conduct assessments for social relief during and after disasters in communities
Procurement of social relief	The CKDM made provision in its 2024-2025 budget for the procurement of social relief to support community members affected by disasters

Table 59: Highlights Disaster Management

### 3.8.1.2 CHALLENGES: DISASTER MANAGEMENT

CHALLENGES	ACTION TO ADDRESS
Budget	Sufficient budget for the implementation of disaster management operations.
Equipment Factor	Shortage of equipment creates a challenge to assist the public. The disaster management centre has certain requirements as per legislation. The centre needs to be upgraded, this will be done systematically.
Training	Continuous training interventions to equip the Disaster Management Team.

Table 60: Challenges Disaster Management

### 3.8.1.3 ACTIVITIES: DISASTER MANAGEMENT

FUNCTION	DESCRIPTION OF ACTIVITIES DURING 2024/25
Successful Mandela Day Program	- Disaster Management in collaboration with the Office staff had a very successful Mandela Day Program, cleaning the Town and Assisting old age homes.

Table 61: Activities Disaster Management







Successful hand over of Disaster Relief goods from Ackerman's to Central KAROO District Mayoral Committee, Acting Socio – Economic Director and the Central Karoo District Municipality Manager



Assisted Road Safety Management in promoting awareness to road users.



Disaster Management and Fire Awareness in Collaboration with the Provincial Disaster Management Centre

### 3.8.2 FIRE & RESCUE SERVICES

The Central Karoo differs from the rest of the districts in the Western Cape when it comes to fires. Fires are rare to this area in comparison to the rest of the province in the cold weather, however in warm/hot weather, fires can happen in an instant. Fires which is occurring in this semi-desert area and the risks of accidents happening on a daily basis with the N1, N12, R61 and other routes running for ±700km through the district, are part of this area. The transport of hazardous material through the region could lead to the occurrence of fire or HAZMAT-related incidents.

“Fire is a rapid oxidation process of a material in the exothermic chemical reaction of combustion, releasing heat, light and various reaction products. It typically manifests as visible flames and can generate smoke and other emissions depending on the burning material. Fire requires three elements to occur: heat, fuel and an oxidising agent, usually oxygen, often referred to as the ‘fire triangle’ or ‘triangle of combustion’”

With the under-capacitation in the department, the building of good relations with other supportive role-players is critical. Excellent relationships over the years were put in place with the Central Karoo Disaster Management, Provincial Traffic Department, Emergency Management Services, the SAPS, Government Communication and Information System (GCIS), SANRAL, SANTAM, Transnet and private organisations.

#### 3.8.2.1 HIGHLIGHTS: FIRE & RESCUE SERVICES

HIGHLIGHTS	DESCRIPTION
New Directorate	From March 2024, a new directorate: Socio-Economic Services was formed and it consists of the following departments: Health, Disaster, Fire, Strategic Support Services. Mrs. Barbara Koopman was acting in the position of director, whereby she was later on appointed in the position.
New Chief Fire Officer	Since the resignation of Chief Fire Officer Noel Williams in November 2023, Keithen Calvert (Junior Firefighter) acted in the position of Chief Fire Officer. A new Chief Fire Officer, Mr. Andrias F. Lushaba has been appointed and will commence with duty from 01 July 2025.
Official Handover of Vehicles	<p>A new vehicle (Nissan Navara) was procured and with the skid unit that was donated by SANTAM, the skid unit is mounted on the vehicle and will be used to respond to fires and hazmat incidents.</p> <p>A 16000 litre Isuzu Potable Water Tanker was procured for the directorate: Socio-Economics. It will be usable for all the departments within the directorate.</p> <p>The official handover included Mr. Du Toit of WC:PDMC, CKDM Mayor, Speaker, Municipal Manager, Director: Socio-Economics, various council members and the fire department.</p>
RPL Programme enrolment	Two of our staff members is currently enrolled in a Recognition of Prior Learning Program, which is hosted by Garden Route District Fire Services. It consists of the following courses: Firefighter I and Firefighter II.
EPWP: Fire Assistants	Our first EPWP: Fire Assistants started on 1 November 2024. It consisted out of training, awareness, process and

HIGHLIGHTS	DESCRIPTION
	procedures in the fire service. Nine (9) out of twelve (12) participants showed up on the first day. Before the last month of the program (May 2025), 2 participants resigned from the program due to other opportunities. The last day of this program was 28 May 2025.
SOPA 2025	In February 2025, Beaufort West was honoured in hosting the State of the Province Address. Our department liaised with SAPS, EMS, Disaster, Local- and Provincial Traffic and other stakeholders in order to ensure the safety of attendees of this event, as well as to put preventative measures into place.

Table 62: Challenges Fire and Rescue

### 3.8.2.2 CHALLENGES: FIRE & RESCUE SERVICE

CHALLENGES	ACTION TO ADDRESS
1. Capacity Constraints	Utilising the funding that has/will be provided by Provincial Fire & Rescue
2. Office space	In search of possible office space to convert into a fire station
3. Tools of trade/Stationary	Utilising the funding made available from the district municipality in order to purchase the relevant equipment

Table 63: Challenges Fire and Rescue

### 3.8.2.3 ACTIVITIES: FIRE AND RESCUE

FUNCTION	DESCRIPTION OF ACTIVITIES DURING 2024/25
Responding to fire, rescue and HAZMAT incidents	<ul style="list-style-type: none"> <li>Responding to and extinguishing fires to protect lives, property and the environment, including HAZMAT incidents. Assisting neighbouring fire services when the needs arises (Beaufort West Local Fire Services, Laingsburg Fire Services, Prince Albert Fire Services and Transnet Fire)</li> </ul>
Fire Prevention	<ul style="list-style-type: none"> <li>Conducting fire safety inspections in the district (Certificate of Compliance)</li> </ul>
Public Education	<ul style="list-style-type: none"> <li>Conducting fire awareness's at public institutions and private businesses</li> </ul>
Training	<ul style="list-style-type: none"> <li>Continuously training firefighters to maintain readiness and improve skills</li> </ul>
Disaster Response	<ul style="list-style-type: none"> <li>Assisting Disaster Management in response and recovery efforts during natural or man-made disasters</li> </ul>

Table 64: Activities Fire and Rescue





Recipients Bunker Gear donated by SANTAM



Funeral of firefighter I. Andrews from Transet Fire Services. Funeral was led by Heinrich Louw from Cape Windlands Fire Services



Accident on N1



Aerial Resources provided by SANParks



Training with EPWP Assistant Firefighters



Liasing with Prince Albert Local Municipality Fire Service



Veldfire on Swartberge



Fire Awareness Programs



Vehicle Handover



Inspecting fire hydrants in Beaufort West



Road Safety Awareness program hosted by Provincial







*Central Karoo District Fire and Rescue with Director: Socio-Economics Mrs. Barbara Koopman*

#### 3.8.2.4 EMPLOYEES: DISASTER MANAGEMENT & FIRE AND RESCUE SERVICES

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary	3		3		0
0 – 3					0
4 – 6	9	9	9	0	0
7 – 9				0	0
10 – 12		1	0	1	100%
13 – 16		2	2	0	0
<b>TOTAL</b>	<b>12</b>	<b>12</b>	<b>14</b>	<b>1</b>	<b>0</b>

*Table 65: Employees Disaster Management*

## 3.9 COMPONENT E: CORPORATE OFFICES AND OTHER SERVICES

### 3.9.1 OFFICE OF THE MUNICIPAL MANAGER

#### EMPLOYEES: OFFICE OF THE MUNICIPAL MANAGER

The table below indicates the number of employees in the Office of the Municipal Manager for the 2024/25 financial year:

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF POSTS)
	NO.	NO.	NO.	NO.	%
Fixed Term - MM	1	1	1		
0 – 3					
4 – 6					
7 – 9	1	1	1		
10 – 12		2	0	2	100%
13 – 16	2	2	2		
<b>TOTAL</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>2</b>	

Table 66: Employees Office of the Municipal Manager

### 3.9.2 RECORDS MANAGEMENT

Section 141 and 195 (1)(f) of the Constitution, 1996, determine that governance should be accountable and transparent.

Section 13 of the National Archives and Records Service of SA Act (Act 143 of 1996, as amended) contains specific provisions for efficient records management in governmental bodies.

Records management is a process of ensuring the proper creation, maintenance, use and disposal of records to achieve efficient, transparent and accountable governance.

Sound records management implies that records are managed in terms of an organisational records management program governed by an organisational records management policy.





### 3.9.2.1 ACTIVITIES: RECORDS MANAGEMENT

FUNCTION	DESCRIPTION
Records Management	<p>To ensure that:</p> <ul style="list-style-type: none"> <li>Records management is an objective in the District Municipality's strategy and strategic plan</li> <li>The current record keeping and records management situation is determined to ensure that relevant information is available regarding the record keeping and records management practices of the District Municipality</li> <li>Information contained in records is managed effectively throughout the office by drafting and implementing records management policies and systems</li> <li>Information can be identified and retrieved when required by providing well-structured records classification and record keeping system</li> <li>All records are kept safe in custody</li> <li>There is a systematic disposal programme in place</li> <li>All audio-visual records are managed according to the requirements of the National Archives and Records Service Act and good governance</li> <li>All electronic records are managed according to the requirements of the National Archives and Records Service Act and good governance</li> <li>Report monthly on outstanding documents</li> <li>There are evaluation criteria in place to monitor compliance with sound records management practices</li> <li>Maintain file plan, applications for transfer and disposal of systems and documentation</li> <li>Review disposal authority and retention periods on current file plan and submit information to Western Cape Archives and Records Service</li> </ul>
Supervision	<ul style="list-style-type: none"> <li>Supervise, co-ordinate and delegate the Reception, General Assistant and cleaning services within Council</li> <li>Oversee Committee Clerks, in accordance with attendance register for meetings, audio recordings, agenda's with attachments received for scanning &amp; filing</li> </ul>
Surety register	Capture, file and update surety information and safekeeping of files
Council Chambers/Equipment management and organising	Booking of Council Chamber for meetings, arranging supplies, material, refreshments and cleaners for the meetings
Key Locker, Access Control and Alarm system	<p>Manage the:</p> <ul style="list-style-type: none"> <li>Key locker and key register</li> <li>Access control system &amp; weekly reporting</li> <li>Alarm system and alarm codes</li> </ul>
Telephone system and accounts	<ul style="list-style-type: none"> <li>Reconcile Telephone accounts for auditing and provide compiled list to Salary Clerk</li> <li>Manage users</li> <li>Report faults / applications for new extensions / transfer of lines</li> <li>Capture client numbers and personnel codes on telephone system</li> </ul>
Inzalo EMS System for requisitions	<ul style="list-style-type: none"> <li>The Corporate Services Clerks complete requisitions on the system where after the Records Manager approved the requisitions on an ongoing basis. The final approval is authorised by the HOD</li> </ul>

Table 67: Activities Records Management



### 3.9.2.2 MATTERS ADDRESSED: RECORDS MANAGEMENT

ITEMS	NUMBER	ACTION
Records Management	Continuous	<ul style="list-style-type: none"> <li>• Capturing of incoming, internal and outgoing post as well as the filing of all documentation.</li> <li>• Applications for transfer and disposal of current systems, terminated systems and financial documentation</li> <li>• Maintaining file plan and submitting amendments as required</li> <li>• Reviewing retention periods and submit the information to the Western Cape Archives and Records Service</li> <li>• Records audit survey submitted bi-annually</li> <li>• Applications for transfer &amp; disposal of current systems, terminated systems and financial documentation</li> <li>• Control &amp; ensure that all audio-visual records are managed according to the requirements of the National Archives and Records Service</li> <li>• Report monthly to MM and Director: Corporate and Strategic Support Services on Quidity system</li> <li>• Attend records management meetings</li> <li>• Quidity system users inserted and blocked on resignation</li> </ul>
Supervision		<ul style="list-style-type: none"> <li>• Oversee Committee Clerk that, in accordance with attendance register for meetings, the Audio and agenda (with attachments) were received for scanning and filing</li> <li>• Supervise, co-ordinate and delegate the Records Clerk, Reception, General Assistant and cleaning services within Council</li> <li>• Oversee Committee Clerk, in accordance with attendance register for meetings, audio recordings, agenda with attachments received for scanning &amp; filing</li> </ul>
Surety		<ul style="list-style-type: none"> <li>• Capturing, filling and updating of surety information</li> <li>• Safekeeping of surety files</li> </ul>
Council Chambers / Equipment management and organising		<ul style="list-style-type: none"> <li>• Booking of Council Chamber for meetings, arrangement supplies, material and refreshments and cleaners for the meetings</li> </ul>
Key Locker, Access Control and alarm system		<ul style="list-style-type: none"> <li>• Manage key locker, key register</li> <li>• Manage the access control – report weekly</li> <li>• Manage the alarm system and alarm codes</li> </ul>
Telephone system and accounts		<ul style="list-style-type: none"> <li>• Print and reconcile telephone accounts of personnel</li> <li>• Memo's/correspondence to personnel on accounts for more than 3 hours as per policy and outstanding payments</li> <li>• Compile a list for deduction of accounts from salary and compile report for the Municipal Manager &amp; Director: Corporate &amp; Strategic Support Services</li> <li>• Manage the telephone accounts on the Teltrace system (capturing &amp; deleting of personnel)</li> <li>• Report faults / applications for new extensions / transfer of lines</li> <li>• Capture client numbers and personnel codes on telephone system</li> </ul>
Facilities		<ul style="list-style-type: none"> <li>• Inspection / repair of facilities</li> </ul>
Fleet management		<ul style="list-style-type: none"> <li>• Check vehicle request forms against logs</li> </ul>
Traffic Fines		<ul style="list-style-type: none"> <li>• Manage traffic fines received and transfer to responsible person</li> </ul>

Table 68: Records Management matters addressed

### 3.9.2.3 EMPLOYEES: RECORDS MANAGEMENT

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary					
0 – 3					
4 – 6	6	6	6		
7 – 9					
10 – 12					
13 – 16	1	1	0	1	100%
<b>TOTAL</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>1</b>	

Table 69: Employees Records Management

## 3.10 HUMAN RESOURCES (HR)

The purpose of the section is the design, development and alignment of policies, procedures, systems and controls guiding HR interventions, application outcomes and providing strategic advice on initiatives with respect to HR development aimed at supporting the accomplishment of the Municipality's KPA's and service delivery objectives.

Key performance areas:

- Strategic Management
- Recruitment and Selection
- Talent Management
- HR Risk Management
- Workforce Planning and Personnel Administration
- Learning and Development (Training)
- Performance Management
- Reward and Recognition (TASK)
- Employee Wellness
- Labour Relations
- Organisational Development
- HR Service Delivery
- HR Technology
- HR Measurement
- Employment Equity and Diversity Management

### 3.10.1 HIGHLIGHTS: HUMAN RESOURCES

HIGHLIGHTS	DESCRIPTION
Employee Wellness	<ul style="list-style-type: none"> <li>• Approved Employee Assistance Policy.</li> <li>• Roadshows was held in February and again in June 2025</li> <li>• 20 September 2024 - Better Together Games</li> <li>• Employees are assisted when wellness challenges are reported to the Human Resources Division.</li> </ul>
Appointments finalized	Filled 18 vacancies compared to 13 vacancies (2023/2024) compared to 21 vacancies (2022/2023), 9 – (2021/22), 10 (2020/21), 10 (2019/20).
Provincial Disaster Management Support Grant	2 x Disaster Management Interns was appointed in 2024/2025. The appointments is funded and supported by the Provincial Disaster Management Centre.
Financial Management Capacity Building Grant	Provided 22 bursaries to full-time students with the grant obtained since 2017. Two (2) student bursaries were approved for 2024/2025.



HIGHLIGHTS	DESCRIPTION	
National Treasury Grant	The DM takes full advantage of the grant. Currently 4 Interns are appointed.	
In-service training	3 Students were assisted with in-service training during the 2024/25 financial year in terms of Council's policy.	
HR Policies Reviewed/Approved	<ul style="list-style-type: none"> <li>• Career Planning</li> <li>• Cellphone/Data Allowances</li> <li>• Intoxication</li> <li>• Salary Deductions</li> <li>• Travel and Accommodation</li> </ul>	
CKDM Skills Development	Senior Management Programme	7
	MMC	13
	CONSEQUENCE MANAGEMENT - FINANCIAL MISCONDUCT	7
	FIREFIGHTER OFO 541101 SAQA ID 98991 NQF 4 CREDITS 149	2
	Demonstrate knowledge and application of the Occupational Health and Safety Act, 85 of 1993 (OHSA) (as amended) and the responsibilities of management in terms of the Act: SAQA 242668	15
	Conduct an investigation into workplace incidents: NQF 3 - US120335	8
	SHE REP (OHS Rep) - OHS1 ACCREDITED TRAINING	10
	Samtrac Introduction	1
	Health and safety Course: SHE REP: US 9964 & 259639	10
	Bi Annual E@Sy-File Payday Training: SARS TRAINNG ON IRP5;	1
	Bi Annual E@Sy-File Payday Training: SARS TRAINNG ON IRP5;	1
	Convey of Dangerous Goods by Road (SAQA 10230)	15
	Drivers Licence Code 14 (ECI)	1
	Drivers Licence Code8	1
	Bachelor of Commerce in Supply Chain Management	1
	Bachelor of Science Honours in Environmental Management	1
	SAQA 97227: Bachelor of Public Administration	3
	SAQA 118637: Bachelor of Commerce in Financial Management	1
	SAQA 118404: Bachelor of Commerce in Accounting	1
	SAQA 114215: Mentoring for Public Leaders, Accredited course by NSG	11
	SAQA: 85207: Bachelor of Commerce in Supply Chain Management	1
	SAQA 115514: Postgraduate Diploma in Strategic Human Resource Management	1
	Advanced Excell Training	19
	Drivers Licence Code 14 (ECI)	12
	Asset Management Training: Inzalo Short Course 2024/2025	2
	SCM and Infrastructure Procurement Workshop	8
	Institutionalization of the Code for Ethical Leadership in Local Government	28
	Local labour forum (llf) including the local government professionalisation social compact training workshop	24
	INTEGRATED COUNCILLOR EXECUTIVE DEVELOPMENT PROGRAMME WORKSHOP	2
	Preparing for Conciliations Related to Dismissals, Unfair Labour Practices, & LRA Section 198b Disputes Workshop	10
	Law Enforcement by Peace Officers (EHPS) NQF 5	4
	18.2 (Unemployed) – CKDM (Started In June 2025)	13
	• DG – Funding Chieta Chemical Operations Learnership – 12-month programme:	

HIGHLIGHTS	DESCRIPTION	
	<ul style="list-style-type: none"> <li>Level 4 Chemical Operations: Learnership: 13 Learners – Beaufort West</li> </ul>	
Regional Skills Development	<ul style="list-style-type: none"> <li>DLG Capacity building: Interns -5 <ul style="list-style-type: none"> <li>Laingsburg x 1</li> <li>Prince Albert x 1</li> <li>Beaufort West x 1</li> <li>CKDM x 2</li> </ul> </li> <li>Local labour forum (LLF) including the local government professionalisation social compact training workshop</li> </ul>	

Table 70: Highlights Human Resources

### 3.10.2 EMPLOYEES: HUMAN RESOURCES

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary					
0 – 3					
4 – 6					
7 – 9	0	0	0	0	0
10 – 12	3	3	3		
13 – 16	2	2	2		
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>5</b>		

Table 71: Employees Human Resources



SKILLS AUDIT HELD IN TERMS OF THE MUNICIPAL STAFF REGULATIONS





1<sup>st</sup> ANNUAL CKDM AWARDS CEREMONY 2024







NEWLY APPOINTED STAFF MEMBERS



CASUAL DAY 2024

## 3.11 FINANCIAL SERVICES

### 3.11.1 HIGHLIGHTS: FINANCIAL SERVICES

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

HIGHLIGHTS	DESCRIPTION
Minimum Competency Requirements	All the middle management adhere to the minimum competency requirements.
FMG Internships	4 of the 5 FMG internship positions were filled during the financial year

Table 72: Finance Highlights

### 3.11.2 CHALLENGES: FINANCIAL SERVICES

The table below indicates the challenges faced by the Finance Unit:

DESCRIPTION	ACTIONS TO ADDRESS
MSCOA Regulations	MSCOA Steering Committee established but not functional.
System challenges as result of changing environment	Action plan to be implemented to address current system challenges, including extensive training of staff.

Table 73: Challenges Financial Service

### 3.11.3 EMPLOYEES: FINANCIAL SERVICES

The table below indicates the number of employees in the Finance Unit for the 2024/25 financial year:

JOB LEVEL	2023/24	2024/25			
	EMPLOYEES	POSTS	EMPLOYEES	VACANCIES (FULLTIME EQUIVALENTS)	VACANCIES (AS A % OF TOTAL POSTS)
	NO.	NO.	NO.	NO.	%
Temporary (Fin Interns)	4	4	4	0	0
0 – 3	0	0	0	0	0
4 – 6	1	2	1	1	50%
7 – 9	5	6	6	0	0
10 – 12	2	2	2	0	0
13 – 16	3	5	3	2	40%
Section 57		1	1		
<b>TOTAL</b>	<b>15</b>	<b>20</b>	<b>13</b>	<b>3</b>	<b>0</b>

Table 74: Employees Financial Services



## 3.12 COMPONENT F: ORGANISATIONAL PERFORMANCE SCORECARD

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

### 3.12.1 BUILD A WELL CAPACITATED WORKFORCE, SKILLED YOUTH AND COMMUNITIES

REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL85	Review the organisational structure (Macro) and submit to Council for approval by 31 May 2026	Organisational structure reviewed and submitted to Council	1
TL94	Spend 0.5% of the municipality's personnel budget on training by 30 June 2026 [(Total Actual Training Expenditure/ Total personnel Budget) x100]	% of the personnel budget spent on training	0.50%
TL95	Review the Workplace Skills Plan and submit to LGSETA by 30 April 2026	Workplace Skills Plan reviewed and submitted	1
TL96	The number of people from the employment equity target groups employed (appointed) in the three highest levels of management in compliance with the municipality's approved Equity Plan as at 30 June 2026	Number of people employed	1
TL97	Fill all budgeted vacant posts within 6 months from position becoming vacant in terms of Regulation 890 (MSR)	% of budgeted vacant posts filled within 6 months	100%

Table 75: Build a well capacitated workforce, skilled youth and communities

### 3.12.2 DELIVER A SOUND AND EFFECTIVE ADMINISTRATIVE AND FINANCIAL SERVICE TO ACHIEVE SUSTAINABILITY AND VIABILITY IN THE REGION

REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL82	Spend 90% of the municipal capital budget by 30 June 2026 {(Actual amount spent /Total amount budgeted) X100}	% of capital budget spent	90%
TL86	Review 19 budget related policies and submit to Council for approval by 31 May 2026	Number of policies reviewed and submitted to Council for approval	19
TL87	Review and submit the MFMA delegation register to Council for approval by 31 May 2026	MFMA delegation registered reviewed and submitted to Council for approval	1





REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL88	Compile and submit the financial statements to the Auditor-General by 31 August 2025	Financial statements compiled and submitted to the Auditor-General	1
TL89	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2026 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	5%
TL90	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage as at 30 June 2026	1.50
TL91	Achieve a current ratio of 1:1 by 30 June 2026 (Current assets : Current liabilities)	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2026	1
TL105	Spend 90% of the grant funding by 30 June 2026 {(Actual amount spent /Total amount budgeted) X100}	% of budget spent	90%

Table 76: Deliver a sound and effective administrative and financial service to achieve sustainability and viability in the region

### 3.12.3 FACILITATE GOOD GOVERNANCE PRINCIPLES AND EFFECTIVE STAKEHOLDER PARTICIPATION

REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL83	Review the Risk Based Audit Plan (RBAP) and submit to the Audit Committee for approval by 30 June 2026	RBAP revised and submitted to the Audit Committee	1
TL84	Complete 80% of the audits as per the RBAP by 30 June 2026 [(Audits completed for the year/audits planned for the year according to the RBAP) x100]	% audits completed	80%
TL92	Submit the draft Annual Report in Council by 31 January 2026	Draft Annual Report submitted in Council	1

REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL93	Review Corporate and HR policies and submit to Council for approval by 30 June 2026	Number of policies reviewed and submitted	10
TL99	Develop the IDP and Budget Process Plan and submit to Council by 31 August 2025	IDP and Budget Process Plan submitted	1
TL100	Submit the final IDP to Council by 31 May 2026 for approval	Final IDP submitted for approval	1

Table 77: Facilitate good governance principles and effective stakeholder participation

### 3.12.4 IMPROVE AND MAINTAIN DISTRICT ROADS AND PROMOTE SAFE ROADS TRANSPORT

REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL106	Create job opportunities in terms of skills and labour needs within identified road projects by June 2026	Number of job opportunities created	40
TL107	Spend 95% of the total approved Roads budget by 30 June 2026 [(Actual expenditure divided by approved allocation received) x100]	% of total approved Roads budget spent	90%
TL108	Regravel 40 kilometres of road by 30 June 2026	Number of kilometres regavelled	40

Table 78: Improve and maintain district roads and promote safe roads transport

### 3.12.5 PROMOTE REGIONAL, ECONOMIC DEVELOPMENT, TOURISM AND GROWTH OPPORTUNITIES

REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL98	Create full time equivalent (FTE's) through expenditure with the EPWP job creation initiatives by 30 June 2026	Number of full time equivalent (FTE's) created	40

Table 79: Promote regional, economic development, tourism and growth opportunities



### 3.12.6 PROMOTE SAFE, HEALTHY AND SOCIALLY STABLE COMMUNITIES THROUGH THE PROVISION OF A SUSTAINABLE ENVIRONMENTAL HEALTH SERVICE

REF	KPI NAME	DESCRIPTION OF UNIT OF MEASUREMENT	ANNUAL TARGET
TL101	Compile and submit bi-annual Water Quality Evaluation Reports to the Beaufort West, Prince Albert & Laingsburg Water Service Authorities by 30 June 2026	Number of Water Quality Evaluation Reports submitted to Water Service Authorities	6
TL102	Compile and submit annual Waste Management Evaluation Report to the Beaufort West, Prince Albert & Laingsburg municipalities by 30 June 2026	Number of Waste Management Evaluation Reports submitted to local municipalities	3
TL103	Compile and submit bi-annual Informal Settlement Evaluation Reports for Kwa-Mandlenkosi, Merweville & Murraysburg to the Beaufort West Municipality & Prince Albert & Klaarstroom to the Prince Albert Municipality by 30 June 2026	Number of Informal Settlement Evaluation Reports submitted to local municipalities	10
TL104	Review the Disaster Management Plan and submit to Council by 31 May 2026	Disaster Management Plan reviewed and submitted	1

Table 80: Promote safe, healthy and socially stable communities through the provision of a sustainable environmental health service

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.1 NATIONAL KPI'S – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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

KPA AND INDICATORS	2023/24	2024/25
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	9	2
The percentage of a training expenditure versus personnel expenditure actually spent on implementing its workplace skills plan	2,46%	2.8%

Table 81: National KPI's - Municipal transformation and organisational development





## 4. 2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs 168 officials compared to 157 officials (2023/24). The staff establishments collectively contribute to the achievement of the Municipality's objectives.

The Human Resources related obligations placed on Municipalities in terms of Section 51 of the Municipal Systems Act is to organize its administration to:

- Be responsive to the need of the local community.
- Facilitate a Culture of Public service and accountability amongst staff.
- Be performance orientated and focused on the objectives of local government.
- Align roles and responsibilities with priorities and objectives reflected in the Integrated Development Plan (IDP).
- Organize structures and administration in a flexible way to respond to changing priorities and circumstances.
- Perform functions through operationally effective and appropriate administrative units.
- Assign clear responsibilities.
- Maximize efficiency of communication & decision-making.
- Delegate responsibility to the most effective level within the administration.
- Involve staff in management decisions as far as practicable.
- Provide an equitable, fair, open and non-discriminatory working environment.

### 4.2.1 EMPLOYMENT EQUITY

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

#### 4.2.1.1 EMPLOYMENT EQUITY TARGETS / ACTUAL BY RACIAL CLASSIFICATION

The following table illustrates the targets for 2024/2025 according to the EE Plan and actuals achieved per racial classification:

AFRICAN			COLOURED			INDIAN			WHITE		
TARGET JUNE	ACTUAL JUNE	% TARGET REACHED	TARGET JUNE	ACTUAL JUNE	% TARGET REACHED	TARGET JUNE	ACTUAL JUNE	% TARGET REACHED	TARGET JUNE	ACTUAL JUNE	% TARGET REACHED
40	40	100%	105	119	Over represented	0	0	0	10	9	90%

Table 82: Employment equity targets/actual by racial classification

#### 4.2.1.2 EMPLOYMENT EQUITY TARGETS /ACTUAL BY GENDER CLASSIFICATION

The following table illustrates the targets according to the EE Plan and actuals achieved per gender classification:

MALE			FEMALE			DISABILITY		
TARGET JUNE	ACTUAL JUNE	% TARGET REACHED	TARGET JUNE	ACTUAL JUNE	% TARGET REACHED	TARGET JUNE	ACTUAL JUNE	% TARGET REACH
113	124	Over represented	42	44	104%	1	0	0

Table 83: Employment equity targets/actual by gender classification



#### 4.2.1.3 EMPLOYMENT EQUITY TARGETS VS POPULATION 2024/25

DESCRIPTION	AFRICAN	COLOURED	INDIAN	WHITE	OTHER	TOTAL
% Population	43,2%	42,2%	1,4%	13,2%		
Number of positions filled 2024/25	40	119	0	9	0	168
% of positions filled 2024/25	23,8%	70,8%	0	5,4%		

Table 84: Employment equity targets vs population 2024/25

#### 4.2.1.4 OCCUPATION LEVELS – RACE

The table below categorise the number of employees by race within the occupational levels:

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management	2				1	1			4
Senior management									0
Professionally qualified and experienced specialists and mid-management	0	2	0	1	1	1	0	3	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	7	14	0	4	5	12	0	1	43
Semi-skilled and discretionary decision making	5	44			4	5			58
Unskilled and defined decision making	10	35			5	5			55
<b>TOTAL PERMANENT</b>	<b>24</b>	<b>95</b>	<b>0</b>	<b>5</b>	<b>16</b>	<b>24</b>	<b>0</b>	<b>4</b>	<b>168</b>
Non- permanent employees	1	16			2				19
<b>GRAND TOTAL</b>	<b>25</b>	<b>111</b>		<b>5</b>	<b>18</b>	<b>24</b>		<b>4</b>	<b>187</b>

Table 85: Occupation levels – Race

#### 4.2.1.5 DEPARTMENT – RACE

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

DEPARTMENT	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Municipal Manager	1				1	1		1	4
Corporate Services	1	5			3	5		1	15
Financial Services		1			1	9		2	13
Road Infrastructure Services	17	83		1	4	7			112
Socio Economic Services	5	6		4	7	2			24
<b>TOTAL PERMANENT</b>	<b>24</b>	<b>95</b>	<b>0</b>	<b>5</b>	<b>16</b>	<b>24</b>	<b>0</b>	<b>4</b>	<b>168</b>
Non-permanent									
<b>GRAND TOTAL</b>	<b>24</b>	<b>95</b>	<b>0</b>	<b>5</b>	<b>16</b>	<b>24</b>	<b>0</b>	<b>4</b>	<b>168</b>

Table 86: Department – Race



#### 4.2.1.6 VACANCY RATE PER POST AND FUNCTIONAL LEVEL

The following table illustrates the vacancy rate per post and functional level:

PER POST LEVEL		
POST LEVEL	FILLED	VACANT
Municipal Manager and MSA Section 57 and 56	4	0
Middle management	8	8
Admin officers and operators	101	12
General workers	55	1
<b>TOTAL</b>	<b>168</b>	<b>21</b>
PER FUNCTIONAL LEVEL		
FUNCTIONAL AREA	FILLED	VACANT
Municipal Manager	4	2
Corporate Services	15	3
Financial Services	13	3
Technical Services	112	9
Socio Economic Services	24	4
<b>TOTAL</b>	<b>168</b>	<b>21</b>

Table 87: Vacancy rate per post and functional level

#### 4.2.1.7 TURN-OVER RATE

The turn-over rate shows an increase for 2024/25.

FINANCIAL YEAR	NEW APPOINTMENTS	NO. OF TERMINATIONS DURING THE YEAR	TURN-OVER RATE
2020/21	10	10	5,88%
2021/22	13	11	5,92%
2022/23	21	9	5,73%
2023/24	13	13	8,13%
2024/25	20	12	7,50%

Table 88: Turn-over rate

#### 4.2.2 MANAGING THE MUNICIPAL WORKFORCE

##### 4.2.2.1 INJURIES

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

DEPARTMENT	2022/23	2023/24	2024/25
Municipal Manager	0	0	0
Corporate Services	0	0	0
Financial Services	0	0	0
Technical Services	0	13	17
<b>TOTAL</b>	<b>0</b>	<b>13</b>	<b>17</b>

Table 89: Injuries

##### 4.2.2.2 Sick leave

Sick leave for 2021/22 was a total of 734 days and 1227 days for 2022/23, and 1166 (2023/2024). The table below shows an increase in sick leave days taken compared to 2023/24.



DEPARTMENT	2023/24		2024/25	
	TOTAL NUMBER OF DAYS	AVERAGE PER PERSON	TOTAL NUMBER OF DAYS	AVERAGE PER PERSON
Municipal Manager	27	7	21	5
Corporate Services	98	7	138	9
Financial Services	117	8	130	10
Technical Services	773	7	844	7
Socio Economic Services	151	8	195	8
<b>TOTAL</b>	<b>1166</b>		<b>1328</b>	

Table 90: Sick leave

#### 4.2.2.3 Approved policies: Human Resources

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

APPROVED POLICIES	
NAME OF POLICY	DATE APPROVED/REVISED
Acting	2024.05.24
Career Planning / Succession Planning	2018.08.22
Cell phone Policy	2021.08.27
Communication Policy	2022.05.26
Dress Code	2023.08.30
Education, Training & Development	2023.05.29
Employment Equity	2023.05.29
EE Plan / Regstellende Aksie	2021.08.27 (5 Year Plan)
Employee Assistance Programme/Wellness (EAP)	2018.08.22
Exit Management	2023.05.29
Fleet Management	2020.06.04
Gender Mainstreaming	2022.03.28
Gift Policy (Ontvangs Van Geskenke)	2018.08.22
Human Resources Strategic Development Framework	2020.06.04
Incapacity	2018.08.22
Individual Performance Management	2023.07.31
Induction / Induksie Beleid	2023.05.29
In-Service Training External Students	2021.08.24
Intoxication (Management Of Suspected Intoxication)	2011.05.17
Leave Procedures	2014.06.30
Maternity Leave	2018.08.22
Smoking	2021.07.01
Travel And Subsistence Allowances	2021.06
Whistle Blowing	2019.05.29

Table 91: Approved policies - Human Resources



## 4. 4 CAPACITATING THE MUNICIPAL WORKFORCE

### 4.4.1 MFMA COMPETENCIES

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA

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

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT				
DESCRIPTION	NUMBER OF OFFICIALS EMPLOYED BY MUNICIPALITY (REGULATION 14(4)(A) AND (C))	COMPETENCY ASSESSMENTS COMPLETED (REGULATION 14(4)(B) AND (D))	NUMBER OF OFFICIALS WHOSE PERFORMANCE AGREEMENTS COMPLY WITH REGULATION 16 (REGULATION 14(4)(F))	NUMBER OF OFFICIALS THAT MEET PRESCRIBED COMPETENCY LEVELS (REGULATION 14(4)(E))
FINANCIAL OFFICIALS				
Municipal Manager	1	0	1	1/P = 1
Chief Financial Officer	1	0	1	1/P = 1
Director Corp	1	1	1	1
Director Socio	1	1	1	1
Any other financial officials	20	16	20	16
SCM OFFICIALS 2016				
Accountant: Supply Chain	1	1	1	1
SCM senior managers	0	0	0	n/a
TOTAL				

Table 92: Details of the financial competency development progress

### 4.4.2 SKILLS DEVELOPMENT EXPENDITURE

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

	TOTAL PERSONNEL BUDGET	TOTAL ALLOCATED	TOTAL SPENT	
FINANCIAL YEAR	R'000	R'000	R'000	% SPENT
2020/21	48 982	813	744	92%
2021/22	62 153	753	470	62%
2022/23	54 650	749	455	61%
2023/24	67 828	5 289	3 889	74%
2024/25	68 175	1 346	1 007	75%

Table 93: Skills development expenditure



## 4. 5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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

### 4.5.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency.

The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years. The ratio of operating expenditure versus salary allowances is at a very high 77% as it should be between 25% – 40%:

FINANCIAL YEAR	TOTAL EXPENDITURE SALARY AND ALLOWANCES	TOTAL OPERATING EXPENDITURE	PERCENTAGE (%)
	R'000		
2023/24	67 928	116 382	58%
2024/25	68 741	115 076	60%

Table 94: Personnel expenditure

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

FINANCIAL YEAR	2023/24	2024/25		
DESCRIPTION	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
COUNCILLORS (POLITICAL OFFICE BEARERS PLUS OTHER)				
Mayor	648	821	821	693
Executive Committee members	1 607	1 567	1 567	1 732
Councillors	2 721	2 812	3 022	3 215
Sub total	4 975	5 200	5 648	5 640
SENIOR MANAGERS				
Annual Remuneration	2 870	4 210	3 264	3 685
Motor Vehicle / Travel allowance	275	-	-	143
Performance Bonus	74	497	-	124
Telephone allowance	88	104	110	109
Contributions to UIF, Medical, Pension and Bargaining Council	140	37	48	132
Other benefits and allowances	313	437	517	304
Sub total	3 761	5 285	3 939	4 496
OTHER STAFF				
Basic salaries and wages	48 029	42 890	45 503	48 771
Employee related costs - Contributions for UIF, Pensions and medical Aids	9 710	9 336	10 509	10 731
Overtime	2 839	1 815	2 270	2 159





FINANCIAL YEAR	2023/24	2024/25		
DESCRIPTION	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
COUNCILLORS (POLITICAL OFFICE BEARERS PLUS OTHER)				
Travel, Motor vehicle, Accommodation, Subsistence and Other Allowances	2 071	2 195	2 167	2 415
Current service cost	112	-	-	104
Housing allowance	362	407	555	451
13th Cheque	3 000	4 295	1 793	3 411
Employee benefits provision	1 721	856	1 269	605
In-kind benefits	84	393	418	95
Sub Total	67 928	62 188	64 482	68 741
TOTAL MUNICIPALITY				

Table 95: Councillor and staff benefits

*\*Please take note that all financial information is not final and is subject to change\**

## CHAPTER 5: FINANCIAL SUMMARY

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

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

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

#### 5.1 FINANCIAL SUMMARY

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

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
FINANCIAL PERFORMANCE				
Property rates	N/A	N/A	N/A	N/A
Service charges	N/A	N/A	N/A	N/A
Rental of Facilities and Equipment	66	65	0	0
Investment revenue	1 705	1 950	1 950	1 475
Transfers recognised – operational	44 694	46 892	48 789	45 055
Other own revenue	113 627	73 515	73 435	65 402



DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
<b>TOTAL REVENUE (EXCLUDING CAPITAL TRANSFERS AND CONTRIBUTIONS)</b>				
Employee related costs	67 928	67 473	68 421	68 741
Remuneration of Councillors	4 975	5 200	5 648	5 640
Contracted services	10 887	9 499	8 136	7 097
Depreciation and amortisation	789	1 035	912	1 025
Debt impairment	0	0	0	0
Finance charges	843	50	50	789
Impairment loss on Receivables	0	0	0	0
Inventory Consumed	14 106	18 089	15 174	14 453
Loss on disposal of property, plant and equipment (PPE)	945	0	0	0
Transfers and Subsidies	1 199	260	203	234
General expenses	15 654	21 512	24 768	17 098
<b>TOTAL EXPENDITURE</b>				
<b>SURPLUS/(DEFICIT)</b>				
Transfers recognised - capital	892	2 889	2 417	3 107
Contributions recognised - capital and contributed assets	0	0	0	0
<b>SURPLUS/(DEFICIT) AFTER CAPITAL TRANSFERS AND CONTRIBUTIONS</b>				
<b>CAPITAL EXPENDITURE</b>				
Transfers recognised - capital	831	5 168	3 189	
Public contributions and donations	0	0	0	
Borrowing	0	0	0	
Internally generated funds	331	896	474	
<b>TOTAL SOURCES OF CAPITAL FUNDS</b>				
<b>FINANCIAL POSITION</b>				
Total current assets	28 765	28 821	25 707	
Total non-current assets	16 836	22 279	19 240	
Total current liabilities	26 408	144 438	25 474	
Total non-current liabilities	13 281	13 737	13 643	
Accumulated Surplus/(Deficit)	5 911	10 613	5 830	



DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
CASH FLOWS				
Net cash from (used) operating	2 639	(126 500)	(3 843)	
Net cash from (used) investing	(1 162)	4 361	(3 663)	
Net cash from (used) financing	(100)	0	67 793	
CASH/CASH EQUIVALENTS AT YEAR-END				
CASH BACKING/SURPLUS RECONCILIATION				
Cash and investments available	12 686	17 048	5 180	
Application of cash and investments				
BALANCE - SURPLUS (SHORTFALL)				
FREE SERVICES				
Cost of free basic services provided	n/a	n/a	n/a	
Revenue cost of free services provided	n/a	n/a	n/a	
HOUSEHOLDS BELOW MINIMUM SERVICE LEVEL				
Water:	n/a	n/a	n/a	
Sanitation/sewerage:	n/a	n/a	n/a	
Energy:	n/a	n/a	n/a	
Refuse:	n/a	n/a	n/a	

Table 96: Financial summary

The table below shows a summary of performance against the budget:

FINANCIAL YEAR	REVENUE				OPERATING EXPENDITURE			
	BUDGET	ACTUAL	DIFF.		BUDGET	ACTUAL	DIFF.	
	R'000			%	R'000			%
2024/2025	126 591	114 995	11 597	90.84%	123 312	115 076	8 236	93.32%

Table 97: Performance against budgets

### 5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote:

VOTE DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
Vote 1 - Executive and Council	47 177	49 808	51 802	50 218



VOTE DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
Vote 2 - Budget and Treasury Office	2 264	2 688	3 634	3 594
Vote 3 - Corporate Services	3 406	7 480	5 821	2 821
Vote 4 – Technical Services	66 301	65 335	65 335	58 361
<b>TOTAL REVENUE BY VOTE</b>				

Table 98: Revenue collection by vote

### 5.1.2 REVENUE COLLECTION BY SOURCE

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

VOTE DESCRIPTION	2023/24	2024/25		
	ACTUAL R'000	ORIGINAL BUDGET	Adjusted budget	ACTUAL R'000
	2024/25			
Property rates	N/A	N/A	N/A	N/A
Property rates - penalties and collection charges	N/A	N/A	N/A	N/A
Service charges - electricity revenue	N/A	N/A	N/A	N/A
Service charges - water revenue	N/A	N/A	N/A	N/A
Service charges - sanitation revenue	N/A	N/A	N/A	N/A
Actuarial gains				
Service charges - refuse revenue	N/A	N/A	N/A	N/A
Rentals of facilities and equipment	66	65	0	0
Interest earned - external investments	1 705	1 950	1 950	1 475
Interest earned - outstanding debtors	-	-	-	-
Dividends received	-	-	-	-
Debt impairment	-	-	-	-
Licences and permits	55	49	49	64
Agency services	6 000	7 840	7 840	6 163
Department of Transport - Roads service charges	58 880	65 380	65 406	58 356
Government grants and subsidies - operating	44 694	46 892	48 789	45 055
Other income	1 239	247	140	282
Gains on disposal of property, plant and equipment	-	-	-	-
<b>TOTAL REVENUE (EXCLUDING CAPITAL TRANSFERS AND CONTRIBUTIONS)</b>	<b>112 639</b>	<b>122 423</b>	<b>124 174</b>	<b>111 395</b>

Table 99: Revenue collection by source



### 5.1.3 OPERATIONAL SERVICES PERFORMANCE -

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

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
Roads transport	66 250	65 335	65 335	60 340
<b>COMPONENT A: SUB-TOTAL</b>				
Planning and development	7 553	73 042	6 039	5 070
<b>COMPONENT B: SUB-TOTAL</b>				
Municipal health	5 685	6 038	6 665	6 205
<b>COMPONENT C: SUB-TOTAL</b>				
Disaster management	2 384	2 950	3 039	2 908
<b>COMPONENT D: SUB-TOTAL</b>				
Executive and Council	10 339	11 686	11 928	11 814
Internal Audit	1 194	1 643	1 690	1 626
Finance and Administration	29 308	27 658	28 580	27 079
Other	55	100	36	36
<b>COMPONENT E: SUB-TOTAL</b>				

Table 100: Operational services performance



## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables listed below reflects the financial performance of each of the municipal functions:

### 5.2.1 ROADS TRANSPORT

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
	R'000			
Total operational revenue (excluding tariffs)	66 301	65 335	65 335	58 361
Total operational expenditure	66 250	65 335	65 335	60 340
<b>NET OPERATIONAL (SERVICE) EXPENDITURE</b>				

Table 101: Financial performance: Roads and storm water

### 5.2.2 MUNICIPAL HEALTH

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
Total operational revenue (excluding tariffs)	6	40	51	1
Total operational expenditure	5 685	6 038	6 665	6 205
<b>NET OPERATIONAL (SERVICE) EXPENDITURE</b>				

Table 102: Financial performance: Municipal Health

### 5.2.3 DISASTER MANAGEMENT

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL
	R'000			
Total operational revenue (excluding tariffs)	75	1 500	2 600	430
Total operational expenditure	2 384	2 950	3 039	2 908
<b>NET OPERATIONAL (SERVICE) EXPENDITURE</b>				

Table 103: Financial performance: Disaster management

### 5.2.4 EXECUTIVE AND COUNCIL

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET
	R'000			
Total operational revenue (excluding tariffs)	48 215	50 258	51 930	50 218
Total operational expenditure	10 339	11 686	11 928	11 814
<b>NET OPERATIONAL (SERVICE) EXPENDITURE</b>				

Table 104: Financial performance: Executive and Council





### 5.2.5 INTERNAL AUDIT

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL
	R'000			
Total operational revenue (excluding tariffs)	0	0	0	0
Total operational expenditure	1 194	1 643	1 690	1 626
<b>NET OPERATIONAL (SERVICE) EXPENDITURE</b>				

Table 105: Financial Performance: Internal Audit

### 5.2.6 FINANCE AND ADMINISTRATION

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL
	R'000			
Total operational revenue (excluding tariffs)	4 143	5 646	5 883	5 444
Total operational expenditure	29 308	27 658	28 580	27 079
<b>NET OPERATIONAL (SERVICE) EXPENDITURE</b>				

Table 106: Financial Performance: Finance Administration

## 5.3 GRANTS

### 5.3.1 GRANT PERFORMANCE

The Municipality had a total amount of R 48 162 797, 00 that was received in the form of grants from national and provincial governments (and other grant providers) during the 2024/25 financial year. The performance in the spending of these grants is summarised as follows:

#### Central Karoo District Municipality

#### Appendix A

#### Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003

Description	Year to Date Receipts							Year to Date Expenditure					
	Opening Balance 01 July 2024 Rand	Repayments Rand	Balance after repayments Rand	Sept Rand	Dec Rand	Mar Rand	Jun Rand	Total Rand	Sept Rand	Dec Rand	Mar Rand	Jun Rand	Total Rand
<b>National Government (Unconditional Grant)</b>													
G/F : EQUITABLE SHARE	-	-	-	-	-	-	38 885 000	38 885 000	-	-	-	(38 885 000)	(38 885 000)
	-	-	-	-	-	-	38 885 000	38 885 000	-	-	-	(38 885 000)	(38 885 000)
<b>National Government (Conditional Grant)</b>													
G/F : LOCAL GOVERNMENT FINANCE MANAGEMENT GRANT	122 513	-	122 513	-	-	-	1 000 000	1 122 513	-	-	-	(1 000 000)	(1 000 000)
G/F : EXPANDED PUBLIC WORKS PROGRAMME GRANT	-	-	-	-	-	-	963 000	963 000	-	-	-	(963 000)	(963 000)
G/F : RURAL ROAD ASSET MANAGEMENT GRANT	28 430	-	28 430	-	-	-	1 834 000	1 862 430	-	-	-	(1 826 036)	(1 826 036)
	150 943	-	150 943	-	-	-	3 797 000	3 947 943	-	-	-	(3 791 036)	(3 791 036)
<b>Provincial Government (Conditional Grant)</b>													
G/F : WESTERN CAPE FINANCIAL MANAGEMENT CAPABILITY GRANT	29 408	(29 408)	-	-	-	-	850 000	850 000	-	-	-	(850 000)	(850 000)
G/F : SAFETY INITIATIVE IMPLEMENTATION - WHOLE OF SOCIETY APPROACH (WOSA)	32 780	(32 780)	-	-	-	-	581 000	581 000	-	-	-	(329 246)	(329 246)
G/F : WESTERN CAPE MUNICIPAL INTERVENTION	700 000	-	700 000	-	-	-	600 000	1 300 000	-	-	-	(600 900)	(600 900)
G/F : MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING GRANT	392 259	-	392 259	-	-	-	-	392 259	-	-	-	(357 328)	(357 328)
G/F : JOINT DISTRICT AND METRO APPROACH GRANT	494 124	(494 124)	-	-	-	-	-	-	-	-	-	-	-
G/F : FIRE SERVICES CAPACITY BUILDING GRANT	500 000	-	500 000	-	-	-	1 500 000	2 000 000	-	-	-	(430 000)	(430 000)
G/F : LOCAL GOVERNMENT EMERGENCY LOADSHEDDING GRANT	32 622	(32 622)	-	-	-	-	600 000	600 000	-	-	-	-	-
G/F : MUNICIPAL WATER RESILIENCE GRANT	2 400 000	(21 124)	2 378 876	-	-	-	-	2 378 876	-	-	-	(2 378 876)	(2 378 876)
G/F : LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT GRANT	200 000	(200 000)	-	-	-	-	-	-	-	-	-	-	-
	4 781 191	(810 056)	3 971 135	-	-	-	4 131 000	8 102 135	-	-	-	(4 946 350)	(4 946 350)
<b>Other Grants (Unconditional Grant)</b>													
G/F : THE CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY	221 108	-	221 108	-	-	-	121 500	342 608	-	-	-	(211 540)	(211 540)
G/F : LGSETA	201 784	-	201 784	-	-	-	-	201 784	-	-	-	-	-
G/F : LGSETA (LGLDP - 20331855 & 20233368)	(4 810)	-	(4 810)	-	-	-	-	(4 810)	-	-	-	-	-
G/F : LGSETA (LGLDP - 20239677)	(12 375)	-	(12 375)	-	-	-	299 230	286 855	-	-	-	(299 230)	(299 230)
G/F : NEDBANK WINTER OUTREACH PROGRAMME	30 000	-	30 000	-	-	-	-	30 000	-	-	-	(29 639)	(29 639)
	435 707	-	435 707	-	-	-	420 730	856 437	-	-	-	(540 409)	(540 409)
<b>Total</b>	5 367 841	(810 056)	4 557 785	-	-	-	47 233 730	51 791 515	-	-	-	(48 162 795)	(48 162 795)

Table 107: Grant performance - 2024/25

### 5.3.2 LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

The table below reflects the reliance on grants and subsidies:

FINANCIAL YEAR	TOTAL GRANTS AND SUBSIDIES RECEIVED	TOTAL OPERATING REVENUE	PERCENTAGE
	R'000		
2023/24	45 586	114 518	40%
2024/25	48 163	114 995	42%

Table 108: Reliance on grants

## 5.4. FINANCIAL RATIOS BASED ON KPI'S

### 5.4.1 LIQUIDITY RATIO

The table below indicates the Municipality's performance with regards to the liquidity ratios:

DESCRIPTION	BASIS OF CALCULATION	2023/24	2024/25
Current ratio	Current assets/current liabilities	1.09	1.01
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	1 month	0.16 months

Table 109: Liquidity ratio

### 5.4.2 IDP REGULATION ON FINANCIAL VIABILITY INDICATORS

The graphs and table below reflect the indicators relating to National KPA's:

DESCRIPTION	BASIS OF CALCULATION	2023/24	2024/25
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	n/a	n/a

Table 110: National KPA's - Financial viability

### 5.4.3 BORROWING MANAGEMENT

The table below indicates the Municipality's ratio relating to borrowing management:

DESCRIPTION	BASIS OF CALCULATION	2023/24	2024/25
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	1%	1%

Table 111: Borrowing management

### 5.4.4 EMPLOYEE COSTS

The graph and table below indicate the Municipality's employee cost in relation to revenue:

DESCRIPTION	BASIS OF CALCULATION	2023/24	2024/25
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	62.64%	64.64%

Table 112: Employee costs



#### 5.4.5 REPAIRS AND MAINTENANCE

The graph and table below indicate the municipality's cost of repairs and maintenance in relation to total revenue:

DESCRIPTION	BASIS OF CALCULATION	2023/24	2024/25
		AUDITED OUTCOME	PRE-AUDIT OUTCOME
Repairs and maintenance	R and M/ (Total revenue excluding capital revenue)	0.0012%	0.0003%

Table 113: Repairs and maintenance

### COMPONENT A: SPENDING AGAINST CAPITAL BUDGET

#### ANALYSIS OF CAPITAL EXPENDITURE

##### 5.5.1 CAPITAL EXPENDITURE BY NEW ASSET PROGRAM

The table below indicates the capital expenditure on the purchasing of new assets:

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE
R'000				
<b>OTHER ASSETS</b>				<b>0</b>
General vehicles	634	1 696	4 916	3 030
Plant and equipment	276	43	43	31
Computers -hardware/equipment	215	929	1 007	543
Furniture and other office equipment	37	97	97	56
Other	879	-	-	-
<b>INTANGIBLES</b>				
Computers - software and programming	-	-	-	3
<b>TOTAL CAPITAL EXPENDITURE ON NEW ASSETS</b>				

Table 114: Capital expenditure - New asset program

## COMPONENT B: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.6 CASH FLOW

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

DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000	R'000	R'000	R'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>RECEIPTS</b>				
Ratepayers and other	73 029	77 167	84 311	60 458
Government - operating	48 545	46 892	48 247	45 994
Government – capital	-	2 889	2 417	430
Interest	1 705	1 950	1 950	1 475
Dividends	-	-	-	-
Suppliers and employees	(119 425)	(124 233)	(126 190)	(111 938)
Finance charges	(15)	(50)	(50)	(28)
Transfers and grants	(1 199)	(260)	(260)	(234)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>				
Proceeds on disposal of fixed assets	-	-	-	-
Purchase of intangible assets	-	-	-	-
Decrease/(increase) in non-current receivables	-	-	-	-
Capital assets	(1 162)	(3 180)	(6 064)	(3 663)
Increase in loan	-	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>RECEIPTS</b>				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
<b>PAYMENTS</b>				
Repayment of borrowing	(100)	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>				
Net increase/(decrease) in cash held	1 378	1 176	4 361	(7 506)
<b>CASH/CASH EQUIVALENTS AT THE YEAR BEGIN:</b>	11 309	11 330	12 686	12687
<b>CASH/CASH EQUIVALENTS AT THE YEAR-END:</b>	12 687	12 506	17 047	5 181

Table 115: Cash flow



## 5.7 GROSS OUTSTANDING DEBTORS PER SERVICE

The table below indicates the gross outstanding debtors per service of the Municipality:

FINANCIAL YEAR	RATES	TRADING SERVICES	ECONOMIC SERVICES	HOUSING RENTALS	OTHER	TOTAL
		(ELECTRICITY AND WATER)	(SANITATION AND REFUSE)			
	R'000	R'000	R'000	R'000	R'000	R'000
2023/24	N/A	N/A	N/A	N/A	N/A	N/A
2024/25	N/A	N/A	N/A	N/A	N/A	N/A
Difference	N/A	N/A	N/A	N/A	N/A	N/A
% GROWTH YEAR ON YEAR						

*Note: Figures include provision for bad debt*

Table 116: Gross outstanding debtors per service

## 5.8 BORROWINGS AND INVESTMENTS

Money not immediately required is invested within a timeframe of 1 to 12 months. The Investment Policy is approved and gives effect to regulations.

The tables below indicate the Municipality's borrowing and investment profile for the 2024/25 financial year:

### 5.8.1 ACTUAL BORROWINGS

INSTRUMENT	2023/24	2024/25
	R'000	
Long-term loans (annuity/reducing balance)	-	-
Long-term loans (non-annuity)	-	-
Local registered stock	-	-
Instalment credit	-	-
Financial leases	-	-
PPE liabilities	-	-
Finance granted by cap equipment supplier	-	-
Marketable bonds	-	-
Non-marketable bonds	-	-
Bankers' acceptances	-	-
Financial derivatives	-	-
Other securities	-	-
<b>MUNICIPALITY TOTAL</b>		

Table 117: Actual borrowings





## 5.9 MUNICIPAL INVESTMENTS

INVESTMENT TYPE	2023/24	2024/25
	R'000	
Securities - National Government	-	-
Listed corporate bonds	-	-
Deposits – Bank	11 201	994
Deposits - Public investment commissioners	-	-
Deposits - Corporation for public deposits	-	-
Bankers' acceptance certificates	-	-
Negotiable certificates of deposit – Banks	-	-
Guaranteed endowment policies (sinking)	-	-
Repurchase agreements – Banks	-	-
Municipal bonds	-	-
<b>MUNICIPALITY TOTAL</b>		

Table 118: Municipal investments

## COMPONENT C: OTHER FINANCIAL MATTERS

### 5.10 SUPPLY CHAIN MANAGEMENT (SCM)

Management has developed a new SCM Policy which includes the SCM system and processes to be used by the Municipality. Standard operating procedures for SCM was develop during the year which included the Bid Committees, complaints and abuse of supply chain. The New PPPFA Policy was developed and approved by Council.

No Councillor was a member of the committees that dealt with supply chain processes.

### 5.11 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance ensure that municipal accounts are comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders

GRAP was fully implemented in the municipality in the 2010/11 financial year and the financial statements of 2024/25 are fully GRAP compliant.



## APPENDICES

### APPENDIX A: COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
MUNICIPAL COMMITTEE	PURPOSE OF COMMITTEE
Finance and Corporate Services Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> <li>- IDP and Budget</li> <li>- Income and Expenditure Management</li> <li>- Credit Control</li> <li>- Asset and SCM</li> <li>- Financial Services</li> <li>- IT &amp; Data Management</li> <li>- Records Management</li> <li>- Environmental Health Services</li> <li>- Fleet Management</li> <li>- Disaster Management &amp; Emergency Services</li> <li>- Legal Services</li> <li>- Council matters</li> <li>- Community Safety</li> <li>- Supply Chain Management</li> <li>- SDBIP</li> <li>- Skills Development and Training</li> <li>- Administration related to Shared Services</li> <li>- Councilor Training</li> <li>- Social issues / matters</li> <li>- Communication</li> </ul> <p>Environmental Health Services:</p> <ul style="list-style-type: none"> <li>- Drafting of Regulations</li> <li>- Air Quality Management</li> <li>- Water Quality Management</li> <li>- Waste Management</li> <li>- Food control</li> <li>- Communicable diseases</li> <li>- Community Pollution Management</li> <li>- Vector Control</li> <li>- Premises</li> <li>- Excavation / reclamation of human remains</li> <li>- Chemical safety</li> <li>- Health awareness and training</li> </ul>
Municipal Services and Infrastructure Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> <li>- IDP, Budget and SDBIP</li> <li>- Provincial Roads Function – Maintenance and construction</li> <li>- Public Transport</li> <li>- Civil Services to B-Municipalities</li> <li>- Capital projects: Infrastructure</li> <li>- OHS</li> <li>- Mechanical Work shop</li> <li>- Planning / Design</li> <li>- Plant</li> </ul>
Human Resources Development Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> <li>- IDP, Budget and SDBIP</li> <li>- Policies</li> <li>- Interviewing</li> <li>- Equal employment</li> </ul>
Economic and Social Development Committee	<p>The responsibilities of the Committee include the following:</p> <ul style="list-style-type: none"> <li>- IDP, Budget, SDBIP</li> <li>- LED &amp; Tourism</li> </ul>



COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
MUNICIPAL COMMITTEE	PURPOSE OF COMMITTEE
	<ul style="list-style-type: none"> <li>- Working for Water Project</li> <li>- Land Reform (Rural Development)</li> <li>- Community Development and empowerment initiatives</li> <li>- Youth and Gender equality</li> </ul> <p>Office of the Municipal Manager:</p> <ul style="list-style-type: none"> <li>- Internal Audit</li> <li>- Appointments</li> <li>- Labour Relations / Training</li> </ul>

Table 119: Committees and Committee purposes

## APPENDIX B: THIRD TIER STRUCTURE

THIRD TIER STRUCTURE	
DIRECTORATE	DIRECTOR / MANAGER
OFFICE OF THE MUNICIPAL MANAGER	Mr. JM Penxa
CORPORATE SERVICES	Adv. T B Mea
ROADS INFRASTRUCTURE SERVICES	Mr. R Ceaser (Acting)
FINANCIAL SERVICES	Ms. K Makalima
SOCIO ECONOMIC SERVICES	Mrs. B Koopman

Table 120: Third Tier Structure

## APPENDIX C: RECOMMENDATIONS OF THE MUNICIPAL AUDIT & PERFORMANCE COMMITTEE 2024/25

No recommendations were made by the Municipal Audit and Performance Committee of the Central Karoo District Municipality during the year under review.



## APPENDIX D: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

CONTRACT REGISTER 2024/2025				
Supplier Name	Contract Number	Contract Description	Contract start date	Contract expiry date
Uyathembeka Security Services	CKDM009-2022/2023	Security services	01/12/2022	30/11/2023
Opulentia	CKDM022-2020/2021	Short term insurance	01/08/2021	30/06/2024
Nedbank	CKDM025-2020/2021	Comprehensive banking services	01/10/2021	30/09/2024
Ubertech	CKDM010-2022/2023	IT	06/02/2023	31/01/2026
Mubesko		Accounting services	06/08/2021	30/07/2024
South Cape Petroleum	CKDM008-2022/2023	Fuel supply	17/01/2023	16/01/2024
Inzalo	CKDM021-2020/2021	Financial system	01/07/2021	30/06/2024
Ignite advisory services	CKDM001-2020/2021	Performance Management	01/12/2020	30/11/2023
Ignite advisory services	CKDM006-2023/2024	Performance Management	06/03/2024	05/03/2027
Nuway Enterprises	CKDM022-2022/2023	Road signs	15/02/2024	14/02/2027
Startune	CKDM017 - 2020/2021	Protective Clothing	01/06/2021	31/05/2024
Buffelsdrift Claymine	CKDM011-2021/2022	Fine aggregate	19/10/2022	18/10/2023
Buffelsdrift Claymine	CKDM003-2023/2024	Fine aggregate	15/02/2024	14/02/2025
Buffelsdrift Claymine	CKDM012-2021/2022	Coarse aggregate	19/10/2022	18/10/2023
Buffelsdrift Claymine	CKDM004-2023/2024	Coarse aggregate	15/02/2024	14/02/2025
Bab developers	CKDM005-2022/2023	Chemical Operation training	24/02/2023`	31/01/2026
OHS Care	CKDM029 -2020/2021	OHS	21/02/2021`	20/09/2024
Engineering advice & services	CKDM004-2022/2023	Rrams implementing agent	01/02/2023`	31/12/2025
Esri	Deviation	GIS Software and annual maintenance	01/07/2021	30/06/2024
A & J Parts	CKDM026-2020/2021	Lubricants	21/09/2021	20/09/2024
South Africa Value Education	CKDM006/2022/2023	Panel of training service providers	06/02/2023	31/01/2026
Nomagwanishe Investment				
Fachs Business Consulting				
Zizi Domestic (Pty)Ltd				
CTC College (Pty)Ltd				
IQ Raam Development				
Benchmark Consultancy				
Vumilia Africa Group				
Naidu Consulting (Pty)Ltd				
Rimpie wire	CKDM012-2022/2023	Supply, delivery and offload of PVC coated gabions boxes	06/02/2023	31/01/2024
A.P.T	CKDM023-2022/2023	Appoint a panel of service providers for the Hire of Construction plant and machinery	15/02/2024	14/02/2027
Sector 6 (Pty)td				
Aqua Transport & Plant Hire				
Ekene Investments cc				
Innovo Networks	CKDM014 - 2023/2024	Telephone system	07/08/2024	06/08/2027
Fortna 108 (Pty)Ltd	CKDM015 - 2023/2024	Supply, delivery and offloading of 42.5N CEM II Cement	29/08/2024	28/08/2025
GAP Management	CKDM017 - 2023/2024	Security services	20/08/2024	19/08/2025
Nedbank	CKDM001 - 2024/2025	Banking Services	01/01/2025	31/12/2028
PKF George Consulting (Pty)Ltd	CKDM002 - 2024/2025	Co-source internal audit function and support the risk management function	01/02/2025	31/01/2028
Serenity Financial Services	CKDM004 - 2024/2025	Short term insurance	01/12/2025	30/11/2027
South Cape Petroleum	CKDM005 - 2024/2025	Fuel supply	28/11/2024	27/11/2027
All Projex (Pty)Ltd	CKDM006 - 2024/2025	Supply, delivery and offloading of fencing material	28/11/2024	27/11/2025
WLC tyre and fleet Solutions	CKDM007 - 2024/2025	Supply, delivery and fitment of new tyres tubes	28/11/2024	27/11/2025
CEY investment cc t/a Nikkei Bolt and Engineering	CKDM011 - 2024/2025	Panel of service providers for supply, delivery and offloading of Reinforcing steel.	01/04/2025	30/03/2028
Silverstone Dew Trading / Magnimus				

Table 121: Long term contracts and PPP's



## APPENDIX E: DISCLOSURES OF FINANCIAL INTEREST

Declaration of interest forms were completed by the majority of employees, all Section 56/57 Managers and Councillors of the Central Karoo District Municipality to declare any interest for the 2024/25 with no employees declaring any related party transactions.

## APPENDIX F: REVENUE COLLECTION PERFORMANCE BY VOTE AND SOURCE

Figures in Rand thousand	Note(s)	2025	2024
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Licence and Permits	18	64 180	55 263
Rental from Fixed Assets	19	-	65 859
Interests Earned - External Investments	20	1 475 109	1 704 944
Operational revenue	21	281 949	1 204 023
Department of Transport - Roads Service Charges	22	58 356 106	58 880 317
Straight Service Charge	23	6 163 043	6 001 042
Inventories: (Write-down)/Reversal of write-down to Net Realisable Value)	6	5 379	35 275
<b>Total Revenue from exchange transactions</b>		<b>66 345 766</b>	<b>67 946 723</b>
<b>Non-Exchange Revenue</b>			
Government Grants and Subsidies	17	48 162 797	45 585 565
Actuarial Gains	32	486 087	985 922
<b>Total Non-Exchange Revenue</b>		<b>48 648 884</b>	<b>46 571 487</b>
<b>Total Revenue</b>		<b>114 994 650</b>	<b>114 518 210</b>

Table 122: Revenue collection performance by vote and source

## APPENDIX F (I): REVENUE COLLECTION PERFORMANCE BY VOTE

VOTE DESCRIPTION	2023/24	2024/25		
	ACTUAL	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
	R'000			
Vote 1 - Executive and Council	48 215	49 808	51 802	50 218
Vote 2 - Budget and Treasury Office	2 058	2 688	3 634	3 108
Vote 3 - Corporate Services	4 344	7 480	5 821	2 821
Vote 4 - Technical Services	66 301	65 335	65 335	58 361
<b>TOTAL REVENUE BY VOTE</b>				

Table 123: Revenue collection performance by vote



## APPENDIX F (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Figures in Rand thousand	Note(s)	2025	2024
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Licence and Permits	18	64 180	55 263
Rental from Fixed Assets	19	-	65 859
Interests Earned - External Investments	20	1 475 109	1 704 944
Operational revenue	21	281 949	1 204 023
Department of Transport - Roads Service Charges	22	58 356 106	58 880 317
Straight Service Charge	23	6 163 043	6 001 042
Inventories: (Write-down)/Reversal of write-down to Net Realisable Value)	6	5 379	35 275
<b>Total Revenue from exchange transactions</b>		<b>66 345 766</b>	<b>67 946 723</b>
<b>Non-Exchange Revenue</b>			
Government Grants and Subsidies	17	48 162 797	45 585 565
Actuarial Gains	32	486 087	985 922
<b>Total Non-Exchange Revenue</b>		<b>48 648 884</b>	<b>46 571 487</b>
<b>Total Revenue</b>		<b>114 994 650</b>	<b>114 518 210</b>

Table 124: Revenue collection performance by vote

## APPENDIX G: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

### Central Karoo District Municipality Appendix A Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003

Description	Year to Date Receipts							Year to Date Expenditure						
	Opening Balance 01 July 2024 Rand	Repayments Rand	Balance after repayment Rand	Sept Rand	Dec Rand	Mar Rand	Jun Rand	Total Rand	Sept Rand	Dec Rand	Mar Rand	Jun Rand	Total Rand	Closing Balance 30 June 2025 Rand
<b>National Government (Unconditional Grant)</b> G/F : EQUITABLE SHARE	-	-	-	-	-	-	36 885 000	36 885 000	-	-	-	(36 885 000)	(36 885 000)	-
<b>National Government (Conditional Grant)</b> G/F : LOCAL GOVERNMENT FINANCE MANAGEMENT GRANT G/F : EXPANDED PUBLIC WORKS PROGRAMME GRANT G/F : MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING GRANT G/F : JOINT DISTRICT AND METRO APPROACH GRANT G/F : FIRE SERVICES CAPACITY BUILDING GRANT G/F : LOCAL GOVERNMENT EMERGENCY LOADSHEDDING GRANT G/F : MUNICIPAL WATER RESILIENCE GRANT G/F : LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT GRANT	122 513	-	122 513	-	-	-	1 000 000	1 122 513	-	-	-	(1 000 000)	(1 000 000)	122 513
	-	-	-	-	-	-	963 000	963 000	-	-	-	(963 000)	(963 000)	-
	28 430	-	28 430	-	-	-	1 634 000	1 662 430	-	-	-	(1 626 036)	(1 626 036)	34 394
	150 943	-	150 943	-	-	-	3 797 000	3 947 943	-	-	-	(3 791 036)	(3 791 036)	156 907
<b>Provincial Government (Conditional Grant)</b> G/F : WESTERN CAPE FINANCIAL MANAGEMENT CAPABILITY GRANT G/F : SAFETY INITIATIVE IMPLEMENTATION - WHOLE OF SOCIETY APPROACH (WOSA) G/F : WESTERN CAPE MUNICIPAL INTERVENTION G/F : MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING GRANT G/F : JOINT DISTRICT AND METRO APPROACH GRANT G/F : FIRE SERVICES CAPACITY BUILDING GRANT G/F : LOCAL GOVERNMENT EMERGENCY LOADSHEDDING GRANT G/F : MUNICIPAL WATER RESILIENCE GRANT G/F : LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT GRANT	29 406	(29 406)	-	-	-	-	850 000	850 000	-	-	-	(850 000)	(850 000)	-
	32 780	(32 780)	-	-	-	-	581 000	581 000	-	-	-	(328 246)	(328 246)	251 754
	700 000	-	700 000	-	-	-	600 000	1 300 000	-	-	-	(600 000)	(600 000)	699 000
	382 259	-	382 259	-	-	-	392 259	392 259	-	-	-	(397 325)	(397 325)	34 931
	494 124	(494 124)	-	-	-	-	-	-	-	-	-	-	-	-
	500 000	-	500 000	-	-	-	1 500 000	2 000 000	-	-	-	(430 000)	(430 000)	1 570 000
	32 822	(32 822)	-	-	-	-	600 000	600 000	-	-	-	-	-	600 000
	2 400 000	(21 124)	2 378 876	-	-	-	-	2 378 876	-	-	-	(2 378 876)	(2 378 876)	-
	200 000	(200 000)	-	-	-	-	-	-	-	-	-	-	-	-
	4 781 191	(810 056)	3 971 135	-	-	-	4 131 000	8 102 135	-	-	-	(4 946 360)	(4 946 360)	3 155 785
<b>Other Grants (Unconditional Grant)</b> G/F : THE CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY G/F : LQSETA G/F : LQSETA (LGLDP - 20331655 & 20233368) G/F : LQSETA (LGLDP - 20239677) G/F : NEDBANK WINTER OUTREACH PROGRAMME	221 108	-	221 108	-	-	-	121 500	342 608	-	-	-	(211 540)	(211 540)	131 068
	201 784	-	201 784	-	-	-	-	201 784	-	-	-	-	-	201 784
	(2 375)	-	(2 375)	-	-	-	299 230	286 855	-	-	-	(299 230)	(299 230)	(12 375)
	30 000	-	30 000	-	-	-	-	30 000	-	-	-	(29 635)	(29 635)	361
	435 787	-	435 787	-	-	-	420 730	856 437	-	-	-	(540 409)	(540 409)	316 028
<b>Total</b>	5 367 941	(810 056)	4 557 785	-	-	-	47 233 730	51 791 515	-	-	-	(48 162 795)	(48 162 795)	3 628 720

Table 125: Conditional Grants received: Excluding MIG

## APPENDIX H (I): CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME

Not applicable as no expenditure was incurred in this regard in terms of upgrade or renewal.

## APPENDIX I: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY 2024/25

No loans or grants have been made by the Central Karoo District Municipality for the 2024/25 financial year.





## **APPENDIX J: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71**

No returns were not made in due time under the MFMA S71 for the year under review.





# Report of the auditor-general to the Western Cape Provincial Parliament and the council on Central Karoo District Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Central Karoo District Municipality set out on pages 6 to 107, which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, the 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 financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Central Karoo District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act, 56 of 2003 (MFMA) and the Division of Revenue Act, 24 of 2024 (Dora).

### Basis of opinion

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

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an errors in the financial statements of the municipality at, and for the year ended 30 June 2025.

### **Close calls relating to going concern**

8. I draw attention to note 47 to the financial statements, which indicates that the Department of Infrastructure informed the district municipality on 7 April 2025 that the road function will be discontinued. The letter served as the Department's twelve-month notice of its intention to review the Roads Agency Agreement. As stated in note 47, this event, indicate that a material uncertainty exists that may cast significant doubt on the district municipality's ability to continue as a going concern.

### **Uncertainty relating to the future**

9. With reference to note 44 to the financial statements, the ultimate Value Added Tax (VAT) position regarding the VAT treatment of revenue generated in terms of its contract with the Department of Infrastructure remains uncertain due to a number of factors, as disclosed in note 44. It is therefore not possible to determine the exact financial impact with certainty.

### **Other matters**

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

### **Unaudited disclosure notes**

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

### **Unaudited supplementary schedules**

12. The supplementary information set out on page 108 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### **Responsibilities of the accounting officer for the financial statements**

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the standard 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 financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the district municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the district municipality or to cease operations, or has no realistic alternative but to do so.



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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 9, forms part of my auditor's report.

### **Report on the audit of the annual performance report**

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
18. I selected the following material performance indicators related to Strategic Objective 4: Improve and maintain district roads and promote safe roads transport presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected those indicators that measure the district municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
  - Create job opportunities in terms of skills and labour needs within identified road projects by 30 June 2025.
  - Spend 95% of the total approved Roads budget by 30 June 2025.
  - Regravel 40 kilometres of road by 30 June 2025.
19. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the district municipality's planning and delivery on its mandate and objectives.
20. I performed procedures to test whether:
  - the indicators used for planning and reporting on performance can be linked directly to the district municipality's mandate and the achievement of its planned objectives

- all the indicators relevant for measuring the district municipality's performance against its primary mandated and prioritised functions and planned objectives are included
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
  - there is adequate supporting evidence for the achievements reported and measures taken to improve performance.
21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
22. The material findings on the reported performance information for the selected objectives are as follows:

#### **Strategic Objective 4: Improve and maintain district roads and promote safe roads transport**

- **Spend 95% of the total approved Roads budget by 30 June 2025**
23. The indicator measures spending of the total approved roads budget, which does not relate to the achievement of improving and maintaining district roads and promoting safe road transport. Consequently, the indicator is not useful for measuring and monitoring progress against the district municipality's planned objectives.

#### **Other matters**

24. I draw attention to the matters below.

#### **Achievement of planned targets**

25. 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.
26. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on page 13.



#### Strategic Objective 4: Improve and maintain district roads and promote safe roads transport

<i>Targets achieved: 48.63%</i> <i>Budget spent: 100.17%</i>		
Key service delivery indicators not achieved	Planned target	Reported achievement
TL81 Regravel 40 kilometres of road by 30 June 2025	40km	19.45km

#### Material misstatements

27. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Strategic Objective 4: Improve and maintain district roads and promote safe roads transport. Management did not correct all of the misstatements and I reported material findings in this regard.

#### Report on compliance with legislation

28. 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 district municipality's compliance with legislation.
29. 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.
30. 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 district municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### Financial statements

32. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.
33. Material misstatements of Trade and other receivables from exchange transactions, Trade and other payables from exchange transactions, Revenue, Expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected

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

#### **Expenditure management**

- 34. Reasonable steps were not taken to prevent irregular expenditure amounting to R3 745 974 as disclosed in note 36.2 to the annual financial statements, as required by section 62(1)(d) of the MFMA.
- 35. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R 221 189 as disclosed in note 36.1 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

#### **Procurement and contract management**

- 36. Some of the goods and services within the prescribed transaction value for competitive bids were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1). Similar non-compliance was also reported in the prior year.

#### **Human resource management**

- 37. I was unable to obtain sufficient appropriate audit evidence that financial interests were 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.

<b>Other information in the annual report</b>
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- 38. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators presented in the annual performance report that have been specifically reported on in this auditor's report.
- 39. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
- 40. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 41. I have nothing to report in this regard.



## Internal control deficiencies

42. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
43. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the compliance with legislation included in this report.
44. Lack of effective oversight over the appointment of the municipal manager position during the financial year has resulted in material non-compliance with Municipal Systems Act 31 of 2000 Regulation 36(1)(a).
45. Management did not ensure that the municipality complied with Section 62(1)(d) of the Municipal Finance Management Act by ensuring that reasonable steps were taken to prevent unauthorised and irregular expenditure in the current financial year.
46. Management did not ensure that the municipality complied with Section 15 of the Municipal Finance Management Act by ensuring that expenditure was only incurred in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget or an adjustment budget.
47. Management did not ensure that the municipality complied with requirements of the Municipal Systems Act by making the first adjustment budget public within 10 days after approval by the municipal council.
48. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support financial and performance reporting.
49. The performance indicator development and review processes are not adequately designed to ensure alignment between indicators and strategic objectives. The indicator measures financial performance rather than service delivery. This indicates a lack of oversight and review in the performance planning process to ensure that indicators are directly linked to the mandate and strategic objectives and are therefore relevant.

## Other reports

50. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
51. The Department of Public Works and Infrastructure investigated an allegation of misappropriation of grant funding in relation to the Expanded Public Works Programme grant during the period of 5 June 2024 to 14 June 2024. The investigation was concluded on

3 July 2024. The municipality has opened a case on the alleged fraud with the South African Police Service. Investigations into these allegations are currently ongoing.

*Auditor General*

Cape Town

30 November 2025



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## **Annexure to the auditor's report**

The annexure includes the following:

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

### **Auditor-general's responsibility for the audit**

#### **Professional judgement and professional scepticism**

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

#### **Financial statements**

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the district municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a district municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<ul style="list-style-type: none"><li>• Section 1 – paragraph (a), (b) and (d) of the definition of 'irregular expenditure'</li><li>• Section 11(1)</li><li>• Section 13(2)</li><li>• Sections 14(1), 14(2)(a), 14(2)(b)</li><li>• Section 15</li><li>• Section 24(2)(c)(iv)</li><li>• Section 28(1)</li><li>• Section 29(1), 29(2)(b)</li><li>• Section 32(2)(a), 32(2)(a)(ii), 32(2)(a)(I), 32(2)(b), 32(6)(a), 32(7)</li><li>• Section 53(1)(c)(ii)</li><li>• Section 54(1)(c)</li><li>• Section 62(1)(d)</li><li>• Sections 63(2)(a), 63(2)(c)</li><li>• Sections 65(2)(a), 65(2)(b), 65(2)(e)</li><li>• Section 72(1)(a)(ii)</li><li>• Section 112(1)(j)</li><li>• Sections 116(2)(b), 116(2)(c)(ii)</li><li>• Section 117</li><li>• Section 122(1)</li><li>• Section 126(2)(a)</li><li>• Sections 127(2), 127(5)(a)(i), 127(5)(a)(ii)</li><li>• Sections 129(1), 129(3)</li><li>• Sections 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii)</li><li>• Section 170</li></ul>



Legislation	Sections or regulations
	<ul style="list-style-type: none"> <li>Sections 171(4)(a), 171(4)(b)</li> </ul>
Municipal Budget and Reporting Regulations, 2009	<ul style="list-style-type: none"> <li>Regulations 71(1)(a), 71(1)(b), 71(2)(a), 71(2)(b), 71(2)(d)</li> <li>Regulations 72(1), 72(b), 72(c)</li> </ul>
Municipal Investment Regulations, 2005	<ul style="list-style-type: none"> <li>Regulations 3(1)(a), 3(3)</li> <li>Regulation 6</li> <li>Regulation 7</li> <li>Regulations 12(2), 12(3)</li> </ul>
Disciplinary Regulations for Senior Managers, 2010	<ul style="list-style-type: none"> <li>Regulations 5(2), 5(3), 5(4), 5(6)</li> <li>Regulation 8(4)</li> </ul>
Municipal Regulations of Financial Misconduct Procedures and Criminal Proceedings, 2014	<ul style="list-style-type: none"> <li>Regulation 6(8)(a)</li> <li>Regulation 10(1)</li> </ul>
Prevention and Combating of Corrupt Activities Act 12 of 2004	<ul style="list-style-type: none"> <li>Section 34(1)</li> </ul>
Municipal Systems Act 32 of 2000	<ul style="list-style-type: none"> <li>Sections 34(a), 34(b)</li> <li>Section 38(a)</li> <li>Sections 41(1)(a), 41(1)(b), 41(1)(c)(ii)</li> <li>Section 43(2)</li> <li>Sections 54A(1)(a), 54A(2)</li> <li>Section 56(1)(a)</li> <li>Sections 57(2)(a), 57(6)(a)</li> <li>Sections 66(1)(a), 66(1)(b)</li> <li>Section 67(1)(d)</li> </ul>
Municipal Planning and Performance Management Regulations, 2001	<ul style="list-style-type: none"> <li>Regulations 3(3), 3(5)(a)</li> <li>Regulation 4(4)(b)</li> <li>Regulation 7(1)</li> <li>Regulation 8</li> <li>Regulation 9(1)(a)</li> <li>Regulation 10(a)</li> <li>Regulation 15(1)(a)(ii)</li> <li>Regulation 12(1)</li> </ul>
Division of Revenue Act	<ul style="list-style-type: none"> <li>Section 11(6)(b)</li> <li>Section 12(5)</li> <li>Section 16(3)</li> </ul>
Municipal Supply Chain Management Regulations, 2005	<ul style="list-style-type: none"> <li>Regulation 5</li> <li>Regulations 12(1)(c), 12(3)</li> <li>Regulation 13(c)</li> </ul>

Legislation	Sections or regulations
	<ul style="list-style-type: none"> <li>• Regulation 16(a)</li> <li>• Regulations 17(1)(a), 17(1)(b), 17(1)(c)</li> <li>• Regulations 19(a), 19(b)</li> <li>• Regulation 21(b)</li> <li>• Regulations 22(1)(b), 22(2)</li> <li>• Regulations 27(2)(a), 27(2)(e)</li> <li>• Regulation 28(1)(a)(i)</li> <li>• Regulations 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i)</li> <li>• Regulation 32</li> <li>• Regulation 36(1)(a)</li> <li>• Regulations 38(1)(c), 38(1)(d)(ii), 38(1)(d)(g)(iii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii)</li> <li>• Regulation 43</li> <li>• Regulation 44</li> <li>• Regulations 46(2)(e), 46(2)(f)</li> </ul>
Preferential Procurement Policy Framework Act 5 of 2000	<ul style="list-style-type: none"> <li>• Sections 2(1)(a), 2(1)(f)</li> </ul>
Preferential Procurement Regulations, 2022	<ul style="list-style-type: none"> <li>• Regulations 4(1), 4(4)</li> <li>• Regulations 5(1), 5(4)</li> </ul>
Construction Industry Development Board Act 38 of 2000	<ul style="list-style-type: none"> <li>• Section 18(1)</li> </ul>
Construction Industry Development Regulations, 2004	<ul style="list-style-type: none"> <li>• Regulation 17</li> <li>• Regulation 25(7A)</li> </ul>
Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006	<ul style="list-style-type: none"> <li>• Regulation 2(3)(a)</li> <li>• Regulation 4(4)(b)</li> <li>• Regulations 8(1), 8(2), 8(3)</li> </ul>
Regulations of Appointment and Conditions and Employment of Senior Managers, 2014	<ul style="list-style-type: none"> <li>• Regulation 36(1)(a)</li> </ul>

## APPENDIX L: REPORT FROM THE AUDIT AND PERFORMANCE COMMITTEE FOR YEAR ENDING 30 JUNE 2025



### REPORT FROM THE AUDIT COMMITTEE OF THE CENTRAL KAROO DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2025

The Audit and Performance Audit Committee is a committee of the Council and in addition to having specific statutory responsibilities to the ratepayers and consumers in terms of the Municipal Finance Management Act, 2003 (No.56) of (MFMA), the committee assists the Council.

#### 1. Terms of Reference

Section 166(2) of the MFMA states that an audit committee is an independent advisory body that must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance management; and
- effective governance.

The Audit and Performance Audit Committee has reviewed the formal terms of reference (charter) that was approved by Council on 29 June 2023. The Committee has executed its duties during the past financial year in accordance with these terms of reference.

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

The Audit Committee has the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

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



- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the audit plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- In addition to above the Audit Committee also performs the function of a performance audit committee. Functions of the Performance Audit Committee In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to –
  - i) review the quarterly reports produced and submitted by the internal audit process;
  - ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
  - iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

## 2. Members of the Audit and Performance Audit Committee

The Committee consists of four independent non-executive members.

As of 30 June 2024, the Audit and Performance Audit Committee comprised of the following members:

NAME	POSITION	PERIOD
S Ngwevu	Chairperson	01 July 2024- 30 June 2025
A Augustyn	Member	01 July 2024 - 30 June 2025
K McKay	Member	01 July 2024 - 30 June 2025
S Qwina	Member	01 July 2024 - 30 June 2025

The Municipal Manager, the Chief Financial Officer, directors of departments and representatives from the internal auditors are standing invitees the committee meetings. The external and internal auditors have unrestricted access to the Audit Committee.



### 3. Meetings

The Audit Committee held four meetings during this period. Details of audit committee members attendance at meetings is set out in the table below:

MEMBER	22 August 2024	22 October 2024	23 January 2025	07 May 2025	26 June 2025
N Gabada	a		a	a	a
A Augustyn	a		a	a	a
KE McKay	a		a	a	a
Y Duimpies	a		a	a	a

The Chairperson of the Audit and Performance Audit Committee attended the following additional meetings with the Auditor-General:

- 10 October 2025- Engagement letter and Audit Strategy
- 20 November 2025- Draft Management Report
- 28 November 2025- Final Management Report and Audit Report

### 4. Statutory Duties

In execution of its statutory duties during the past financial year, the Audit Committee received no complaints relating to the accounting practices and internal audit of the municipality, the content or auditing of its financial statements, the internal financial controls of the municipality and other related matters.

#### *Oversight of risk management*

The committee has received assurance that the process and procedures followed by the internal auditors are adequate to ensure that financial risks are identified and monitored:

The committee satisfied itself that the following areas have been appropriately addressed:

- financial reporting risks;
- internal financial controls;
- governance and ethics; and
- fraud risks as it relates to financial reporting and Supply Chain Management.

The committee has reviewed the risk register and recommend that the Municipality should continue with its processes to ensure the risk register is updated on a continuous basis, to assist in the management of risks to an acceptable level.

#### *Internal financial controls, governance and ethics*

The Committee has:

- reviewed the effectiveness of the municipality's system of internal financial controls, including receiving assurance from management, internal and external audit;
- reviewed the effectiveness of internal controls, including amongst others, risks relating to the SCM system specifically, as it is one of the key fraud risk areas;



- reviewed the municipality's compliance with applicable laws and regulations, including compliance with the SCM regulations and
- reviewed significant issues raised by the internal audit process.

Although the matters raised by the Auditor-General with regards to information technology were not material in nature, it is still of a concern that previous year's findings have not been addressed.

The findings raised by the Auditor-General on Human Resources Management are also of a concern to the Committee, and should receive management attention.

Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the audit committee will monitor this ongoing forward.

#### *Annual financial statements and reports as on 30 June 2025*

The committee is pleased that the Auditor-General has once again issued an unqualified audit opinion on the financial statements for the year ended 30 June 2025.

However, as in the Audit Report of the Auditor-General, no material misstatements were identified by the auditors. Certain matters of emphasis were highlighted in the Audit Report of the Auditor-General, which relates to restatement of corresponding figures due to errors in the financial statements.

A material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern with the possibility of the Roads function being discontinued. Furthermore, the VAT treatment of revenue generated in terms of its contract with the Department of Infrastructure remains uncertain due to a number of factors. It is not possible to determine the exact financial impact with certainty.

Although these matters were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion, it is important that management implement the necessary review and control actions to ensure accurate financial reporting.

The municipality continues to strive to adhere and uphold the relevant and applicable laws and regulatory frameworks, particularly the MFMA, DoRA etc. as non-conformance to these laws could impact negatively on the audit.

#### *External audit*

Based on processes followed and assurances received, nothing has come to the attention of the Audit Committee with regards to the external auditors' independence.

#### *Finance function*

The committee is fully aware of the huge effort it entails to ensure compliance to the onerous legislative requirements the municipality must comply with; however, the following issues were identified by the Auditor General:

- Material misstatements of trade and other receivables from exchange transactions, trade and other payables from exchange transactions, revenue and expenditure.
- Reasonable steps were not taken to prevent unauthorised and irregular expenditure.
- Deviations were approved by the Accounting Officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).





### *Internal audit*

The committee has:

- reviewed and recommended the internal audit terms of reference for approval;
- evaluated the independence, effectiveness and performance of the internal audit function and compliance with its mandate;
- satisfied itself that the internal audit function has the necessary resources, budget, standing and authority within the firm to enable it to discharge its functions;
- approved the internal audit plan; and
- encouraged cooperation between external and internal audit.

The head of the internal audit function reported functionally to the Audit Committee and had unrestricted access to all members of the committee. In reviewing Internal Audit's quarterly reports, the Committee satisfied itself that findings raised relating to financial matters, and recommendations made, in order to rectify shortcomings/deviations, did receive the required attention forthwith of Management.

### *Performance Management*

Material findings were identified on the reported performance information for the strategic objectives that were selected, however management subsequently corrected all misstatements and the report did not include any material findings.

The internal auditors did audit the performance measurements on a continuous basis and submitted quarterly reports on their audits to the municipal manager and the Committee.

### *Conclusion*

The Committee congratulates the Council, staff and management of the municipality in all their efforts in assisting the Municipality to receive an unqualified audit outcome. We concur and accept the conclusions of both Internal Audit and the Auditor-General. The Committee is of the opinion that the audited Annual Financial Statements should be accepted and read together with the Report of the Auditor-General.

On behalf of the Audit Committee

S Ngwevu

Chairperson of the Audit Committee

Central Karoo District Municipality

08 December 2025



## **VOLUME II: ANNUAL FINANCIAL STATEMENTS: CENTRAL KAROO DISTRICT MUNICIPALITY**





Central Karoo District Municipality  
Annual Financial Statements  
for the year ended 30 June 2025

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## General Information

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Nature of business and principal activities	Central Karoo District Municipality is a district municipality performing functions as set out in the Constitution. (Act no. 108 of 1998)
Grading of local authority	C
Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act 117 of 1998) read with section 155 (1) of the Constitution of the republic of South Africa (Act 108 of 1996)
Jurisdiction	The Central Karoo District Municipality includes the following municipal areas: Beaufort West Municipality Prince Albert Municipality Laingsburg Municipality
Executive Mayor	Ms. J. Botha
Executive Deputy Mayor	Mr. D.W. Sampie
Speaker	Ms. T.C.J. Prince
Executive mayor and chairperson of mayoral committee	
Portfolio	Councillor
Executive mayor	Ms. J. Botha
Executive deputy mayor	Mr. D.W. Sampie
Speaker	Ms. T.C.J. Prince
Executive Councillor	Ms. L.V. Piti
Executive Councillor	Mr. L.B.J. Mdudumani
Executive Councillor	Ms. L.M. Paulse
Accounting Officer	Mr. M.J. Penxa
Chief Financial Officer (CFO)	Ms. K. Makalima
Registered head office	63 Donkin Street Beaufort West 6970
Physical address	63 Donkin Street Beaufort West 6970
Auditors	Auditor-General of South Africa
Bankers	Nedbank, Beaufort West ABSA, Beaufort West First National Bank, Beaufort West 9
Legal representative	Crawfords Attorneys Coetzee & van den Bergh Attorneys Van der Wall Tshangana Associates Attorneys TNK Attorneys DKVG Attorneys

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## General Information

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### Legislation governing the municipality's operations

Basic Conditions of Employment Act (Act no 75 of 1997)  
Collective Agreements  
Constitution of the Republic of South Africa (Act 108 of 1998)  
Division of Revenue Act (Act 1 of 2007)  
Electricity Act (Act no 41 of 1987)  
Employment Equity Act (Act no 55 of 1998)  
Housing Act (Act no 107 of 1997)  
Infrastructure Grants  
Municipal Budget and Reporting Regulations  
Municipal Finance Management Act (Act 56 of 2003)  
Municipal Planning and Performance Management Regulations  
Municipal Property Rates Act (Act no 6 of 2004)  
Municipal Regulations on Standard Chart of Accounts  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Systems Amendment Act (Act no 7 of 2011)  
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and regulations issued in terms of the Act)  
SALBC Leave Regulations  
Skills Development Levies Act (Act no 9 of 1999)  
Supply Chain Management Regulations, 2005  
Income Tax Act (Act 58 of 1962)  
Unemployment Insurance Act (Act no 30 of 1966)  
Value Added Tax (Act 89 of 1991)

### Council Members of the Central Karoo District Municipality

Ward	Surname	Initials
Proportional	Jooste	S
Proportional	van der Linde	JJ
Proportional	Koonthea	SD
Directly-elected	Swanepoel	AP
Proportional	Pietersen	G
Directly-elected	Snyders	DU
Proportional	Mdudumani	LBJ
Proportional	Piti	LV
Proportional	Mackay	A
Proportional	Meyers	SM
Directly elected	Louw	Q

### Preparer

The annual financial statements were internally compiled by:  
Ms. K. Makalima  
Chief Financial Officer



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Officer's Responsibilities and Approval

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

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as well as relevant interpretations, guidelines and directives issued by the Accounting Standards Board.

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

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

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

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

Although, I am primarily responsible for the financial affairs of the municipality, this is supported by the municipality's external auditors.

I would like to bring the following material matters to your attention:

I certify that the salaries, allowances and benefits of councillors as disclosed in note 24 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, 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 the Act.

The annual financial statements set out on pages 6 to 107, in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), which have been prepared on the going concern basis and which I have signed on behalf of the municipality on August 31, 2025:

  
\_\_\_\_\_  
T.B. Mea  
Acting Municipal Manager

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Abbreviations

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ASB	Accounting Standards Board
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
COID	Compensation for Occupational Injuries and Diseases
COGTA	Cooperative Governance and Traditional Affairs
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DSACR	Department of Sport, Arts, Culture and Recreation
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
LGSETA	Local Government Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MSIG	Municipal System Improvement Grant
mSCOA	Municipal Standard Chart of Accounts
SALGA	South African Local Government Association
SAPS	South African Police Services
SCM	Supply Chain Management
MSA	Municipal Structures Act
MSA	Municipal System Act
NDPG	Neighbourhood Development And Partnership Grant
SRAC	Sports, Recreation, Arts and Culture

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

Figures in Rand thousand	Note(s)	2025	2024
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	12 457 415	9 807 917
Intangible assets	4	36 676	48 029
Non-current Receivables from Non-Exchange Transactions	5	6 746 000	6 980 299
<b>Total Non-Current Assets</b>		<b>19 240 091</b>	<b>16 836 245</b>
<b>Current Assets</b>			
Inventory	6	1 377 565	1 570 951
Trade and other receivables from exchange transactions	7	17 712 535	13 440 730
Receivables from non-exchange transactions	8	780 492	495 340
Current portion of non-current receivables	5&15	655 000	570 701
Cash and cash equivalents	9	5 180 977	12 686 824
<b>Total Current Assets</b>		<b>25 706 569</b>	<b>28 764 546</b>
<b>Total Assets</b>		<b>44 946 660</b>	<b>45 600 791</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Non-current Employee Benefits	10	13 643 001	13 281 001
<b>Current Liabilities</b>			
Provisions	14	323 930	1 007 462
Current Employee Benefits	11	6 490 132	5 966 163
Trade and other payables from exchange transactions	12	15 031 307	14 067 016
Unspent Transfers and Subsidies	13	3 628 720	5 367 842
<b>Total Current Liabilities</b>		<b>25 474 089</b>	<b>26 408 483</b>
<b>Total Liabilities</b>		<b>39 117 090</b>	<b>39 689 484</b>
<b>Net Assets</b>		<b>5 829 570</b>	<b>5 911 307</b>
<b>Net Assets</b>			
Accumulated surplus	16	5 829 570	5 911 307
<b>Total Community Wealth / Equity</b>		<b>5 829 570</b>	<b>5 911 307</b>

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Performance

Figures in Rand thousand	Note(s)	2025	2024
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Licence and Permits	18	64 180	55 263
Rental from Fixed Assets	19	-	65 859
Interests Earned - External Investments	20	1 475 109	1 704 944
Operational revenue	21	281 949	1 204 023
Department of Transport - Roads Service Charges	22	58 356 106	58 880 317
Straight Service Charge	23	6 163 043	6 001 042
Inventories: (Write-down)/Reversal of write-down to Net Realisable Value)	6	5 379	35 275
<b>Total Revenue from exchange transactions</b>		<b>66 345 766</b>	<b>67 946 723</b>
<b>Non-Exchange Revenue</b>			
Government Grants and Subsidies	17	48 162 797	45 585 565
Actuarial Gains	32	486 087	985 922
<b>Total Non-Exchange Revenue</b>		<b>48 648 884</b>	<b>46 571 487</b>
<b>Total Revenue</b>		<b>114 994 650</b>	<b>114 518 210</b>
<b>Expenditure</b>			
Employee related costs	24	68 741 470	67 927 584
Remuneration of Councillors	25	5 640 190	4 974 967
Contracted Services	26	7 096 773	10 887 401
Depreciation and Amortisation	27	1 025 053	789 092
Finance Costs	28	788 870	842 743
Inventory Consumed	6	14 452 932	14 105 845
Loss on disposal of assets and liabilities	31	-	945
Transfers and subsidies	29	233 546	1 199 265
Operational Costs	30	17 097 558	15 653 977
<b>Total Expenditure</b>		<b>115 076 392</b>	<b>116 381 819</b>
<b>Deficit for the year</b>		<b>(81 742)</b>	<b>(1 863 609)</b>

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Cash Flow Statement

Figures in Rand thousand	Note(s)	2025	2024
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Operational revenue		60 458 321	73 097 470
Government Grants – Capital and Operating		46 423 676	48 545 220
Interest		1 475 109	1 704 944
<b>Payments</b>			
Suppliers and employees		(111 938 343)	(119 494 424)
Finance charges		(27 869)	(14 743)
Transfers and subsidies		(233 546)	(1 199 270)
<b>Net cash from(used) operating activities</b>	33	<b>(3 842 652)</b>	<b>2 639 197</b>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds on disposal of fixed and intangible assets		-	(1 161 830)
<b>Payments</b>			
Capital assets		(3 375)	-
Purchase of Property, Plant and Equipment		(3 659 820)	-
<b>Net cash flows from investing activities</b>		<b>(3 663 195)</b>	<b>(1 161 830)</b>
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Decrease in other liabilities		-	(99 629)
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>(99 629)</b>
<b>Net increase/(decrease) in cash</b>		<b>(7 505 847)</b>	<b>1 377 738</b>
Cash and cash equivalents at year begin		12 686 824	11 309 086
		<b>5 180 977</b>	<b>12 686 824</b>

**Central Karoo District Municipality**  
Annual Financial Statements for the year ended 30 June 2025

**Statement of Changes in Net Assets**

Figures in Rand thousand	Accumulated surplus	Total net assets
Opening balance as previously reported	11 118 268	11 118 268
Adjustments		
Correction of errors	778 076	778 076
<b>Balance at 01 July 2023 as restated*</b>	<b>11 896 344</b>	<b>11 896 344</b>
Surplus for the year	(1 863 609)	(1 863 609)
Corrections of errors - statement of financial position	(4 121 421)	(4 121 421)
<b>Total changes</b>	<b>(5 985 030)</b>	<b>(5 985 030)</b>
<b>Net surplus/(deficit) as previously reported</b>	<b>(1 749 910)</b>	<b>(1 749 910)</b>
Adjustments		
Correction of errors	(113 699)	(113 699)
<b>Balance at 01 July 2024 as restated*</b>	<b>5 911 314</b>	<b>5 911 314</b>
Surplus for the year	(81 742)	(81 742)
Total changes	(81 742)	(81 742)
<b>Balance at 30 June 2025</b>	<b>5 829 572</b>	<b>5 829 572</b>
Refer to note		



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand thousand

2025

### Financial performance

#### Revenue

	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reason for the material variance
<b>Exchange revenue</b>									
Operational Revenue	246 630	(107 080)	139 550	139 550	281 949	142 399	202,04 %	114,32 %	Note: 35.1.1
Straight Service Charge	7 840 200	-	7 840 200	7 840 200	6 163 043	(1 677 157)	78,61 %	78,61 %	Note 35.1.2
Interest earned - External Investments	1 950 000	-	1 950 000	1 950 000	1 475 109	(474 891)	75,65 %	75,65 %	Note 35.1.3
Rental from fixed assets	64 700	(64 700)	-	-	-	-	- %	- %	Note 35.1.4.1
Licence and permits	49 100	-	49 100	49 100	64 180	15 080	130,71 %	130,71 %	Note 35.1.4.2
Inventories: (Write-down)/Reversal of write-down to Net Realisable Value)	-	-	-	-	5 379	5 379	- %	- %	Note 35.1.4.3
Department of Transport - Service Charge	65 379 690	26 490	65 406 180	65 406 180	58 356 106	(7 050 074)	89,22 %	89,26 %	Note 35.1.5
	<b>75 530 320</b>	<b>(145 290)</b>	<b>75 385 030</b>	<b>75 385 030</b>	<b>66 345 766</b>	<b>(9 039 264)</b>	<b>88,01 %</b>	<b>87,84 %</b>	

#### Non-exchange revenue

Transfer and subsidies - Operational and Capital	49 781 000	1 425 397	51 206 397	51 206 397	48 162 797	(3 043 600)	94,06 %	96,75 %	Note 35.1.6
Actuarial gains	-	-	-	-	486 087	486 087	- %	- %	Note 35.1.7

#### Total Revenue (excl. capital transfers and contributions)

	<b>49 781 000</b>	<b>1 425 397</b>	<b>51 206 397</b>	<b>51 206 397</b>	<b>48 648 884</b>	<b>(2 557 513)</b>	<b>95,01 %</b>	<b>97,73 %</b>	
	<b>125 311 320</b>	<b>1 280 107</b>	<b>126 591 427</b>	<b>126 591 427</b>	<b>114 994 650</b>	<b>(11 596 777)</b>	<b>90,84 %</b>	<b>91,77 %</b>	

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Comparison of Budget and Actual Amounts for the year ended 30 June 2025

	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reason for the material variance
Figures in Rand thousand									
<b>Expenditure</b>									
Employee costs	(67 472 720)	(947 971)	(68 420 691)	(68 420 691)	(68 741 470)	(320 779)	100,47 %	101,88 %	Note 35.1.8
Remuneration of councillors	(5 199 700)	(448 303)	(5 648 003)	(5 648 003)	(5 640 190)	7 813	99,86 %	108,47 %	Note 35.1.9
Inventory consumed	(18 089 450)	2 915 369	(15 174 081)	(15 174 081)	(14 452 933)	721 148	95,25 %	79,90 %	Note 35.1.10
Depreciation and amortisation	(1 034 800)	122 726	(912 074)	(912 074)	(1 025 053)	(112 979)	112,39 %	99,06 %	Note 35.1.11
Finance charges	(50 010)	-	(50 010)	(50 010)	(788 870)	(738 860)	1 577,42 %	1 577,42 %	Note 35.1.12
Contracted services	(9 499 290)	1 362 809	(8 136 481)	(8 136 481)	(7 096 773)	1 039 708	87,22 %	74,71 %	Note 35.1.13
Transfers and subsidies	(260 000)	57 335	(202 665)	(202 665)	(233 546)	(30 881)	115,24 %	89,83 %	Note 35.1.14
Operational costs	(21 512 350)	(3 255 740)	(24 768 090)	(24 768 090)	(17 097 558)	7 670 532	69,03 %	79,48 %	Note 35.1.15
<b>Total Expenditure</b>	<b>(123 118 320)</b>	<b>(193 775)</b>	<b>(123 312 095)</b>	<b>(123 312 095)</b>	<b>(115 076 393)</b>	<b>8 235 702</b>	<b>93,32 %</b>	<b>93,47 %</b>	
<b>Deficit for the year</b>	<b>2 193 000</b>	<b>1 086 332</b>	<b>3 279 332</b>	<b>3 279 332</b>	<b>(81 743)</b>	<b>(3 361 075)</b>	<b>(2,49)%</b>	<b>(3,73)%</b>	

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand thousand									
Financial position	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reason for the material variance
<b>Assets</b>									
<b>Current assets</b>									
Cash and cash equivalents	12 506 070	4 541 701	17 047 771	17 047 771	5 180 975	(11 866 796)	30,39 %	41,43 %	Note 35.2.1
Trade and other receivables from exchange transactions	678 070	(46 951)	631 119	631 119	780 492	149 373	123,67 %	115,10 %	Note 35.2.2
Current portion of non-current receivables	531 100	39 601	570 701	570 701	655 000	84 299	114,77 %	123,33 %	Note 35.2.3
Inventory	1 249 470	256 153	1 505 623	1 505 623	1 377 565	(128 058)	91,49 %	110,25 %	Note 35.2.4
VAT	383 090	(226 427)	156 663	156 663	-	(156 663)	- %	- %	Note 35.2.5
Other current assets	4 727 360	4 181 304	8 908 664	8 908 664	17 712 535	8 803 871	198,82 %	374,68 %	Note 35.2.6
<b>Total current assets</b>	<b>20 075 160</b>	<b>8 745 381</b>	<b>28 820 541</b>	<b>28 820 541</b>	<b>25 706 567</b>	<b>(3 113 974)</b>	<b>89,20 %</b>	<b>128,05 %</b>	
<b>Non-current assets</b>									
Property, plant and equipment	12 822 810	2 428 165	15 250 975	15 250 975	12 457 415	(2 793 560)	81,68 %	97,15 %	Note 35.2.7
Intangible assets	62 220	(14 192)	48 028	48 028	36 676	(11 352)	76,36 %	58,95 %	Note 35.2.8
Non-current receivables from non-exchange transactions	6 543 900	346 399	6 890 299	6 890 299	6 746 000	(144 299)	97,91 %	103,09 %	Note 35.2.9
<b>Total non-current assets</b>	<b>19 428 930</b>	<b>2 760 372</b>	<b>22 189 302</b>	<b>22 189 302</b>	<b>19 240 091</b>	<b>(2 949 211)</b>	<b>86,71 %</b>	<b>99,03 %</b>	
<b>Total assets</b>	<b>39 504 090</b>	<b>11 505 753</b>	<b>51 009 843</b>	<b>51 009 843</b>	<b>44 946 658</b>	<b>(6 063 185)</b>	<b>88,11 %</b>	<b>113,78 %</b>	

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Comparison of Budget and Actual Amounts for the year ended 30 June 2025

	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reason for the material variance
Figures in Rand thousand									
<b>Liabilities</b>									
<b>Current liabilities</b>									
Financial liabilities	99 630	-	99 630	99 630	-	(99 630)	- %	- %	Note 35.2.10
Consumer deposits	1 500	-	1 500	1 500	-	(1 500)	- %	- %	Note 35.2.11
Trade and other payables from exchange transactions	2 676 490	116 877 696	119 554 186	119 554 186	15 031 307	(104 522 879)	12,57 %	561,61 %	Note 35.2.12
Unspent Transfers and Subsidies	2 728 560	3 239 865	5 968 425	5 968 425	3 628 720	(2 339 705)	60,80 %	132,99 %	Note 35.2.13
Provision	4 857 320	1 335 390	6 192 710	6 192 710	6 490 132	297 422	104,80 %	133,62 %	Note 35.2.14
VAT	-	11 812 108	11 812 108	11 812 108	-	(11 812 108)	- %	- %	Note 35.2.15
Other current liabilities	809 000	-	809 000	809 000	323 930	(485 070)	40,04 %	40,04 %	Note 35.2.16
<b>Total current liabilities</b>	<b>11 172 500</b>	<b>133 265 059</b>	<b>144 437 559</b>	<b>144 437 559</b>	<b>25 474 089</b>	<b>(118 963 470)</b>	<b>17,64 %</b>	<b>228,01 %</b>	
<b>Non-current liabilities</b>									
Provision	2 370 160	116 000	2 486 160	2 486 160	-	(2 486 160)	- %	- %	Note 35.2.17
Non-current employee benefits	11 698 960	(447 958)	11 251 002	11 251 002	13 643 001	2 391 999	121,26 %	116,62 %	Note 35.2.18
<b>Total non-current liabilities</b>	<b>14 069 120</b>	<b>(331 958)</b>	<b>13 737 162</b>	<b>13 737 162</b>	<b>13 643 001</b>	<b>(94 161)</b>	<b>99,31 %</b>	<b>96,97 %</b>	
<b>Total liabilities</b>	<b>25 241 620</b>	<b>132 933 101</b>	<b>158 174 721</b>	<b>158 174 721</b>	<b>39 117 090</b>	<b>(119 057 631)</b>	<b>24,73 %</b>	<b>154,97 %</b>	
<b>Net assets</b>	<b>14 262 470</b>	<b>(121 427 348)</b>	<b>(107 164 878)</b>	<b>(107 164 878)</b>	<b>5 829 568</b>	<b>112 994 446</b>	<b>(5,44)%</b>	<b>40,87 %</b>	
<b>Community wealth/ Equity</b>									
Accumulated Surplus/(Deficit)	17 323 720	(6 711 205)	10 612 515	10 612 515	5 829 570	(4 782 945)	54,93 %	33,65 %	Note 35.2.19

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand thousand

### Cash flow

#### Cash flow from operating activities

##### Receipts

Other revenue	77 167 200	7 143 958	84 311 158	84 311 158	60 458 321	(23 852 837)	71,71 %	78,35 %	Note 35.3.1
Transfers and Subsidies - Operational	46 892 000	1 354 667	48 246 667	48 246 667	45 993 676	(2 252 991)	95,33 %	98,08 %	Note 35.3.2
Transfers and Subsidies - Capital	2 889 000	(472 000)	2 417 000	2 417 000	430 000	(1 987 000)	17,79 %	14,88 %	Note 35.3.3
Interest	1 950 000	-	1 950 000	1 950 000	1 475 109	(474 891)	75,65 %	75,65 %	Note 35.3.4
	<b>128 898 200</b>	<b>8 026 625</b>	<b>136 924 825</b>	<b>136 924 825</b>	<b>108 357 106</b>	<b>(28 567 719)</b>	<b>79,14 %</b>	<b>84,06 %</b>	

##### Payments

Suppliers and employees	(124 232 500)	(1 957 520)	(126 190 020)	(126 190 020)	(111 938 343)	14 251 677	88,71 %	90,10 %	Note 35.3.5
Finance charges	(50 010)	-	(50 010)	(50 010)	(27 869)	22 141	55,73 %	55,73 %	Note 35.3.6
Transfers and subsidies	(260 000)	-	(260 000)	(260 000)	(233 546)	26 454	89,83 %	89,83 %	Note 35.3.7

#### Net cash from/(used) operating activities

	<b>(124 542 510)</b>	<b>(1 957 520)</b>	<b>(126 500 030)</b>	<b>(126 500 030)</b>	<b>(112 199 758)</b>	<b>14 300 272</b>	<b>88,70 %</b>	<b>90,09 %</b>	
	<b>4 355 690</b>	<b>6 069 105</b>	<b>10 424 795</b>	<b>10 424 795</b>	<b>(3 842 652)</b>	<b>(14 267 447)</b>	<b>(36,86)%</b>	<b>(88,22)%</b>	

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Comparison of Budget and Actual Amounts for the year ended 30 June 2025

Figures in Rand thousand

#### Cash flow from investing activities

##### Payments

##### Capital assets

Net Increase/ (Decrease) in cash held

Note 35.3.8

Cash/cash equivalents at the year begin:  
Cash/cash equivalents at the year end:

##### Commentary

\*Budget adjustments done in terms of section 28 and section 31 of the MFMA.

Refer to note 35 for explanations for material variances between budgeted and actual amounts.

	Original budget	*Budget adjustments	Final adjustments budget	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget	Reason for the material variance
	(3 179 500)	(2 884 364)	(6 063 864)	(6 063 864)	(3 663 195)	2 400 669	60,41 %	115,21 %	
	<b>1 176 190</b>	<b>3 184 741</b>	<b>4 360 931</b>	<b>4 360 931</b>	<b>(7 505 847)</b>	<b>(11 866 778)</b>	<b>(172,12)%</b>	<b>(638,15)%</b>	
	11 329 880	1 355 946	12 685 826	12 685 826	12 686 824	998	100,01 %	111,98 %	
	12 506 070	4 540 687	17 046 757	17 046 757	5 180 977	(11 865 780)	30,39 %	41,43 %	



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# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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The annual financial statements of Central Karoo District Municipality for the year ended 30 June 2025 were authorised for issue by the Accounting Officer on 30 November 2025.

These 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 No 56 of 2003).

The Annual Financial Statements were prepared on the accrual basis of accounting and are in accordance with the historical cost conventions as the basis of measurement, except where specified otherwise.

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2015) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, except where an exemption or transitional provision has been granted, is disclosed below.

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

These accounting policies are consistent with the previous period.

### 1. Summary of significant accounting policies

#### 1.1 Presentation currency

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

#### 1.2 Going concern assumption

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

#### 1.3 Comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017.

The municipality is continually busy during the year with a process to align items in the annual financial statements with the Item Segment of mSCOA. The result of this process are reclassifications and naming of items in the annual financial statements.

The presentation and classification of items in the current year is consistent with prior periods.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.4 Amended Disclosure Policy

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include prior period error disclosure.

### 1.5 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances.

The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

### 1.6 Presentation of budget information

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts is disclosed as separate additional financial statements, namely Statements of comparison of budget and actual amounts.

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

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

Where Budget information classification and disclosure does not conform with the classification within the GRAP financial statements, a reconciliation is provided to that effect to ensure comparability is maintained.

The comparable information includes the following:

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

Explanations for differences between the approved and final budget are included in the Notes to the Annual Financial Statements.

Explanations for material differences between the final budget amounts and actual amounts are included in the notes to the annual financial statements.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

### 1.7 Leases

#### Municipality as lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest method. Lease finance costs are expensed when incurred. The accounting policies relating to disclosure of finance liabilities and de-recognition of financial instruments are applied to lease payables. Contingent rents shall be charged as expenses in the periods in which they are incurred.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.7 Leases (continued)

#### Municipality as lessor

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

### 1.8 Unspent conditional government grants and receipts

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

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from legislation.

Once the conditional grant becomes repayable to the donor due to conditions not met, the remaining portion of the unspent conditional grant is reclassified as payables, which is considered a financial instrument.

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

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder, it is recorded as part of the liability. If it is the Municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

### 1.9 Unpaid conditional government grants and receipts

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

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

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

### 1.10 Unspent public contributions

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

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

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder, it is recorded as part of the creditor. If it is the municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

### 1.11 Borrowing costs

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Accounting Policies

---

#### 1.12 Provisions

Provisions are recognised when the municipality has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

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

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

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

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.13 Employee benefits

#### Short-term employee benefits

Remuneration to employees is recognised in the Statement of financial performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service.

#### Pension and Retirement Fund Obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

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

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

The Municipality contributes to various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The Municipality has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

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

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

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.13 Employee benefits (continued)

#### Post-Retirement Medical Obligations

The Municipality provided post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds.

Council pays 60% as contribution and the remaining 40% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the net defined benefit liability is actuarially determined in accordance with GRAP 25 - Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

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

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

#### Long Service Awards

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

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

#### Ex-gratia Pension Benefits

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries, and the corresponding liability is raised.

Payments made by the Municipality are set-off against the net defined benefit liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as financial cost upon valuation as it meets the definition of net interest in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

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



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.13 Employee benefits (continued)

#### Staff Leave

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

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

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

Accumulated leave is vesting.

#### Bonus provisions

##### Staff Bonuses

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

##### Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees.

The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

### 1.14 Property, plant and equipment

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

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

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

---

### 1.14 Property, plant and equipment (continued)

#### Initial recognition and measurement

Property, plant and equipment are initially recognised at cost on its acquisition date. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

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.

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

Where an asset is acquired through a non-exchange transaction, any transaction cost incurred is recognised as part of the cost of the asset.

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

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

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

### 1.14 Property, plant and equipment (continued)

#### Depreciation and Impairment

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

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management..

Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. .

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

Classification	Useful lives (Years)
Land and Buildings	
• Land	Indefinite
• Buildings (Civic and other)	100
Other assets	
• Machinery and equipment	9 - 41
• Disaster Management Equipment	10 - 28
• Furniture and Office Equipment	5 - 50
• Computer Equipment	5 - 25
• Transport Assets (General Vehicles)	11 - 25
• Transport Assets (Fire Engines)	18 - 25
Leased Assets	
• Furniture and office equipment	3 - 5

The depreciation charge is recognised in the Statement of Financial Performance.

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

Property, plant and equipment is reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated..

The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amounte.

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

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

#### Derecognition

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

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.14 Property, plant and equipment (continued)

#### Land and Buildings and Other Assets - Application of Deemed Cost (Directive 7)

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

### 1.15 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

#### Initial recognition and measurement

An intangible asset is an identifiable asset without physical substance.

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

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

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

The cost of the intangible asset includes the purchase price and any cost incurred to prepare the asset for its intended use.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project;
- the municipality has the ability to use or sell the intangible asset;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset 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. Where an intangible asset is acquired through a non-exchange transaction it is measured fair value.

#### Subsequent measurement - Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

#### Amortisation and Impairment

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

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

## Accounting Policies

### 1.15 Intangible assets (continued)

Classification- Intangible Assets	Years
Computer Software	1 - 5

The amortisation charge is recognised in the Statement of Financial Performance.

Changes to the useful life and residual values of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting estimate or retrospectively as a prior period error depending on the specific circumstances. t

### Derecognition

Intangible assets 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 on the disposal or retirement of an intangible assets is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### Application of Deemed Cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as at 1 July 2007.

### 1.16 Impairment of non-financial assets

#### Impairment of cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

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

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- a) External sources of information
  - During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
  - Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
  - Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.
- b) Internal sources of information
  - Evidence is available of obsolescence or physical damage of an asset;
  - Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
  - Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation 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 shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.16 Impairment of non-financial assets (continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

#### Impairment of non-cash-generating assets

Non cash-generating assets are assets other than cash-generating assets.

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

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

- a) External sources of information
  - Cessation, or near cessation, of the demand or need for services provided by the asset;
  - Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.
- b) Internal sources of information
  - Evidence is available of physical damage of an asset;
  - Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
  - A decision to halt the construction of the asset before it is complete or in a usable condition;
  - Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.



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### 1.16 Impairment of non-financial assets (continued)

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- depreciation replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- restoration cost approach - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, 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 usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- service unit 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. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation), had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

### 1.17 Inventory

#### Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

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

#### Subsequent Measurement

Inventories, consisting of consumable stores, finished goods, materials and supplies and work-in progress, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

## **Accounting Policies**

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### **1.17 Inventory (continued)**

In general, the basis of allocating cost to inventory items is the weighted average method.

### **1.18 Financial instruments**

Financial instruments recognised per the Statement of Financial Position include receivables, cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions). The future utilisation of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

#### **1.18.1 Initial and subsequent measurement**

##### **Initial Recognition**

Financial instruments are initially recognised, when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

##### **Subsequent Measurement**

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

##### **Receivables**

Receivables are classified as financial assets at amortised cost and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

##### **Payables and Annuity Loans**

Financial liabilities consist of trade and other payables and finance lease liabilities. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

# Central Karoo District Municipality

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## Accounting Policies

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### 1.18 Financial instruments (continued)

#### Cash and Cash Equivalents

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

The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

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

#### Non-Current Investments

Investments which include investments in Municipal Entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

# Central Karoo District Municipality

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### 1.18 Financial instruments (continued)

#### 1.18.2 Derecognition

##### Financial assets

A Financial Asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the old asset is derecognised, and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

##### Financial liabilities

The Municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

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

#### 1.18.3 Offsetting of Financial Instruments

Financial Assets and financial Liabilities are offset, and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 1.19 Statutory receivables

#### 1.19.1 Identification

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

The Municipality has the following major categories under the ambit of statutory receivables:

- VAT Receivables

#### 1.19.2 Initial Recognition and Measurement

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition and recognition criteria of asset is met.

The Municipality initially measures statutory receivables at their transaction amount.

# Central Karoo District Municipality

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### 1.19 Statutory receivables (continued)

#### 1.19.3 Subsequent Measurement

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

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

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future.

Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

The municipality considers the following as indicators:

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

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

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance

#### 1.19.4 Derecognition

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

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

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.

### 1.20 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.



# Central Karoo District Municipality

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### 1.20 Revenue (continued)

#### 1.20.1 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is recognised when:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity and;
- the fair value of the asset can be measured reliably.

Government grants and subsidies received, or receivable, are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Debt forgiven is recognised when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners. Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality 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 present 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 will be recognised as revenue.

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset, because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality therefore recognises an expense and related revenue for the consumption of services in-kind.

Revenue arising from legislation is recognised in accordance with the approved tariff.



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### 1.20 Revenue (continued)

#### 1.20.2 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality;
- The costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

Revenue from the services rendered is recognised when:

- The amount of revenue can be measured reliably;
- It is probable that economic benefits or service potential associated with the transaction will flow to the municipality;
- The stage of completion at the reporting date can be measured reliably;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services. The Municipality performs a function on behalf of the Provincial Administration: Western Cape for the proclaimed roads within its area.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

# Central Karoo District Municipality

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## Accounting Policies

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### 1.21 Related parties and related party transactions

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.

The following are regarded as related parties of the Municipality:

a) A person or a close member of that person's family is related to the Municipality if that person:

- has control or joint control over the Municipality.
- has significant influence over the Municipality. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
- is a member of the management of the Municipality or its controlling entity.

b) An entity is related to the Municipality if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
- both entities are joint ventures of the same third party.
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).
- The entity, or any member of a group of which it is part, provides management services to the reporting entity or to the controlling entity of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- a) are married or live together in a relationship similar to a marriage; or
- b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Management includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- a) all members of the governing body of the Municipality;
- b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- d) the senior management team of the Municipality, including the Chief Executive Officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration.

Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties.

# Central Karoo District Municipality

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## Accounting Policies

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### 1.21 Related parties and related party transactions (continued)

Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

### 1.22 Unauthorised expenditure

Unauthorised Expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, Municipality or Organ of State and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.23 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.24 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

### 1.25 Contingent Liabilities and Contingent Assets

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities and assets.

### 1.26 Significant accounting judgements and estimates

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates, which may be material to the annual financial statements.

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.26 Significant accounting judgements and estimates (continued)

#### 1.26.1 Estimates and assumptions

##### Post-retirement Medical Obligations, Long Service and Ex-Gratia Gratuities

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 10 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

##### Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness.

This was performed per service-identifiable categories across all classes of debtors.

##### Property, Plant and Equipment and Intangible Assets

###### Property, Plant and Equipment

The useful lives of property, plant and equipment are based on management's estimation. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market.

Discussions with people within the specific industry were also held to determine useful lives.

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.

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

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

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

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

###### Intangible Assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other Municipalities to determine the useful life of the assets.

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



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.26 Significant accounting judgements and estimates (continued)

#### Provisions and Contingent Liabilities

Compensation of key management personnel judgement is required when recognising and measuring provisions, and when measuring contingent liabilities. Provisions are measured at the compensation of key management personnel's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

#### Revenue recognition

The Accounting Policies on Revenue from Exchange Transactions and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the compensation of key management personnel of the Municipality.

In making their judgement, the compensation of key management personnel considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions.

In particular, in regard to revenue from exchange revenue - when goods are sold, whether the compensation of key management personnel had transferred to the buyer the significant risks and rewards of ownership of the goods; and, when services are rendered, whether the service has been rendered.

The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

#### Provision for Staff Leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date.

In terms of the Collective Agreement for Local Government annual leave shall only be accumulated to a maximum of forty-eight (48) working days. The provision for annual leave is limited to a maximum of 48 days per employee.

This provision will be realised as employees take leave or when employment is terminated.

#### Provision for Performance Bonuses

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

### 1.27 Value Added Tax

The municipality is registered with the South African Revenue Service (SARS) for Value Added Tax on the payments basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

Revenue, expenses and assets are recognised net of the amounts of Value Added Tax. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

### 1.28 Capital commitments

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred subsequent to the specific reporting date.

Commitments are disclosed in the notes inclusive of VAT.

### 1.29 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the annual financial statements.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.30 Segment reporting

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.

Management identifies reportable segments in accordance with the monthly section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements.

The restatement of segment information is only done if there was a change in the reportable structure of the municipality and information is readily available.

### 1.31 Consumer Deposits

Consumer deposits are disclosed as a current liability. Consumer deposits are applicable to rental contracts. When the rental contract is terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

### 1.32 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by compensation of key management personnel have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the annual financial statements where applicable.



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards, amendments to standards and interpretations issued, but not yet effective

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

##### GRAP 107 (as revised): Mergers

##### Overview and project objective

At the time GRAP 105, GRAP 106 and GRAP 107 (hereafter "the local Standards") were developed, an equivalent International Public Sector Accounting Standard (IPSAS) did not exist. IPSAS 40 on Public Sector Combinations was since issued in 2017.

IPSAS 40 was compared with local Standards to identify any similarities and differences. Even though IPSAS 40 applies to combinations that are classified as either an amalgamation or an acquisition, the substance of combinations accounted for using IPSAS 40 is similar to that in the local Standards. Based on the outcome of the comparison, the Board agreed that the local Standards should be amended to include additional, authoritative guidance from IPSAS 40, where applicable and retain guidance in the local Standards not included in IPSAS, where appropriate. The Board also agreed to include amendments to the IFRS Accounting Standard on Business Combinations (IFRS 3) after the publication of IPSAS 40, as IFRS 3 was used to develop parts of the local Standards.

The Board agreed that the three Standards of GRAP should be retained, rather than to issue an equivalent IPSAS. Local stakeholders understand when to apply a relevant Standard and to date, no significant application issues were raised.

##### Significant differences between IPSAS 40 and the GRAP Standards, prior to the revisions proposed Scope

- a) IPSAS 40 includes a scope exclusion explaining that the Standard does not apply to the acquisition by an investment entity of an investment in a controlled entity that is required to be measured at fair value through surplus or deficit;
- b) the GRAP Standards include additional scope exclusions for transfers or mergers that are not within the Standard's scope. As IPSAS 40 addresses all combinations, a similar scope exclusion is not relevant;
- c) the GRAP Standards include explanatory guidance on the scope exclusions in the Standards. Similar explanatory guidance for the scope exclusions is not included in IPSAS 40; and
- d) GRAP 107 does not include a scope exclusion for the transfer of individual assets and liabilities.

##### Definitions

IPSAS 40 separates the definitions in the Standard between "general definitions relating to all public sector combinations", "definitions relating to amalgamations" and "definitions relating to acquisitions". The GRAP Standards include definitions relevant to the type of transfer or merger within the scope of the particular Standard. Other differences include:

- (a) terminology differences – this is because IPSAS 40 provides guidance on amalgamations and acquisitions, and GRAP classifies the transactions or events as either a transfer of function or a merger. For example, IPSAS 40 refers public sector combinations, amalgamation, and acquisition date, and resulting entity, whereas the GRAPs refer to a transfer of functions, transfer, acquisition, or merger date, and acquiree and combining entity; and
- (b) definitions not included in the GRAP Standards and vice versa – for example, IPSAS 40 includes definitions for mutual entity and goodwill, while the GRAP Standards define residual value, non-controlling interests, and binding arrangement.

##### Identifying an operation or function

IPSAS 40 defines an operation as "an integrated set of activities and related assets and/or liabilities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential." The definition of a function in the GRAP Standards is similar, except that it excludes "and related assets and/or liabilities".

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 2. New standards and interpretations (continued)

The guidance explaining what an integrated set of activities comprises, is similar between IPSAS 40 and the GRAP Standards. Other than using different terms (i.e., GRAP 105 and GRAP 106 refer to "a function" whereas IPSAS 40 refers to "an operation"), IPSAS 40 includes additional guidance to explain that, determining if a particular set of activities and the related assets and liabilities are an operation, should be based on whether the integrated set is capable of being conducted and managed as an operation by another entity.

#### Accounting for an amalgamation versus a transfer of functions under common control and mergers

Both IPSAS 40 and GRAP 107 applies the modified pooling of interest method to account for an amalgamation or merger. GRAP 105 does not "label" the accounting method used to account for the transfer for functions.

Assessing control - GRAP 105 is not explicit that the principles in GRAP 35 should be applied to assess control.

Outline of the Standards - In IPSAS 40, application guidance is included as an annexure to the Standard. GRAP 105 and GRAP 107 do not have any application guidance, as all the principles are included in the Standard itself. acquiree.

Identifying amalgamation (transfer/merger) date, assets, and liabilities - GRAP 105 and GRAP 107 explains that the terms and conditions of the binding arrangement should be considered to identify the acquirer/combined entity, the assets and liabilities, and the transfer/merger date. GRAP 105 and GRAP 107 also include guidance to identify the acquirer/combined entity when it is not clear from the binding arrangement.

IPSAS 40 does not provide guidance on what should be considered to identify the resulting entity, the assets, and liabilities to be transferred or assumed, or the transfer date.

Pre-existing relationship - GRAP 105 includes guidance on identifying, and accounting for, a pre-existing relationship between the acquirer and transferor that is not part of the transfer of functions. Similar guidance is not included in IPSAS 40 (or in GRAP 107).

Calculation of the excess in the combination (transfer/merger) - The excess in the combination (transfer or merger) is calculated as the difference between the carrying amounts of the assets acquired and liabilities assumed, and any adjustments made to conform the accounting policies of the combining operations (transferor/combining entities) to those of the resulting entity (acquirer/combined entity).

The following elements are different:

- GRAP 105 also includes the consideration paid in the calculation, whereas IPSAS 40 is silent on whether the consideration should be included in the calculation; and
- in addition to recognising the identifiable assets and liabilities, IPSAS 40 includes the carrying amount of the combining operation's non-controlling interest and the effect of any adjustments made to eliminate transactions between the combining entities in the calculation of the excess. Neither GRAP 105 nor GRAP 107 require these components to be included when calculating the excess of the combination.

Assets and liabilities transferred - IPSAS 40 requires that the resulting entity should classify or designate the assets and liabilities received in an amalgamation using the classifications or designations previously applied by the combining operations. The resulting entity is not allowed to adopt different classifications or designations on initial recognition, even if this is permitted by other IPSASs.

This is different to the requirements in GRAP 105 and GRAP 107 that require the acquirer/combined entity to classify or designate the assets acquired and liabilities assumed to apply the Standards of GRAP. The classifications or designations are made on the basis of the terms of the binding arrangement, economic conditions, the acquirer's operating or accounting policies and other relevant conditions that exist at the transfer date.

There is, however, an exception included in GRAP 105 and GRAP 107 relating to the classification of leases, and the classification of a contract as an insurance contract. Similar exceptions are not included in IPSAS 40,

Measurement period - IPSAS 40, GRAP 105 and GRAP 107 allow for a measurement period if the initial accounting for the amalgamation (transfer/merger) is incomplete by the end of the reporting period in which the amalgamation (transfer/merger) occurs. In IPSAS 40 the measurement period should not exceed one year from the amalgamation date. GRAP 105 and GRAP 107 allow two years.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

Presentation - As per GRAP 107, the combined entity need not present comparative information in the first reporting period. GRAP 105 does not include a similar requirement as the transfer of functions is only effective from the transfer date and the entity combines the assets and liabilities of the transferor with its own at that date. As the transfer of functions does not impact the acquirer's prior year information, the acquirer's comparative information need not be adjusted.

In IPSAS 40, the resulting entity has an option to not present financial statements for periods prior to the amalgamation date. Where the resulting entity elects to present financial statements, specific disclosures are required for each combining operation.

There are certain guidance included in IPSAS40 but not in GRAP105 and 107, and vice versa.

#### Supersede

This Standard supersedes the Standard of GRAP on Mergers issued in 2010.

The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.

It is unlikely that the revisions will have a material impact on the Municipality's Annual Financial Statements.

### GRAP 105(as revised): Transfer of Functions Between Entities Under Common Control

#### Overview and project objective

At the time GRAP 105, GRAP 106 and GRAP 107 (hereafter "the local Standards") were developed, an equivalent International Public Sector Accounting Standard (IPSAS) did not exist. IPSAS 40 on Public Sector Combinations was since issued in 2017. IPSAS 40 was compared with local Standards to identify any similarities and differences. Even though IPSAS 40 applies to combinations that are classified as either an amalgamation or an acquisition, the substance of combinations accounted for using IPSAS 40 is similar to that in the local Standards. Based on the outcome of the comparison, the Board agreed that the local Standards should be amended to include additional, authoritative guidance from IPSAS 40, where applicable and retain guidance in the local Standards not included in IPSAS, where appropriate. The Board also agreed to include amendments to the IFRS Accounting Standard on Business Combinations (IFRS 3) after the publication of IPSAS 40, as IFRS 3 was used to develop parts of the local Standards.

The Board agreed that the three Standards of GRAP should be retained, rather than to issue an equivalent IPSAS. Local stakeholders understand when to apply a relevant Standard and to date, no significant application issues were raised.

#### Significant differences between IPSAS 40 and the GRAP Standards, prior to the revisions proposed

##### Scope

- a) IPSAS 40 includes a scope exclusion explaining that the Standard does not apply to the acquisition by an investment entity of an investment in a controlled entity that is required to be measured at fair value through surplus or deficit;
- (b) the GRAP Standards include additional scope exclusions for transfers or mergers that are not within the Standard's scope. As IPSAS 40 addresses all combinations, a similar scope exclusion is not relevant;
- (c) the GRAP Standards include explanatory guidance on the scope exclusions in the Standards. Similar explanatory guidance for the scope exclusions is not included in IPSAS 40; and
- (d) GRAP 107 does not include a scope exclusion for the transfer of individual assets and liabilities.

##### Definitions

IPSAS 40 separates the definitions in the Standard between "general definitions relating to all public sector combinations", "definitions relating to amalgamations" and "definitions relating to acquisitions". The GRAP Standards include definitions relevant to the type of transfer or merger within the scope of the particular Standard. Other differences include:

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

(a) terminology differences – this is because IPSAS 40 provides guidance on amalgamations and acquisitions, and GRAP classifies the transactions or events as either a transfer of function or a merger. For example, IPSAS 40 refers public sector combinations, amalgamation, and acquisition date, and resulting entity, whereas the GRAPs refer to a transfer of functions, transfer, acquisition, or merger date, and acquiree and combining entity; and

(b) definitions not included in the GRAP Standards and vice versa – for example, IPSAS 40 includes definitions for mutual entity and goodwill, while the GRAP Standards define residual value, non-controlling interests, and binding arrangement.

#### Identifying an operation or function

IPSAS 40 defines an operation as "an integrated set of activities and related assets and/or liabilities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential." The definition of a function in the GRAP Standards is similar, except that it excludes "and related assets and/or liabilities".

The guidance explaining what an integrated set of activities comprises, is similar between IPSAS 40 and the GRAP Standards. Other than using different terms (i.e., GRAP 105 and GRAP 106 refer to "a function" whereas IPSAS 40 refers to "an operation"), IPSAS 40 includes additional guidance to explain that, determining if a particular set of activities and the related assets and liabilities are an operation, should be based on whether the integrated set is capable of being conducted and managed as an operation by another entity.

#### Accounting for an amalgamation versus a transfer of functions under common control and mergers

Both IPSAS 40 and GRAP 107 applies the modified pooling of interest method to account for an amalgamation or merger. GRAP 105 does not "label" the accounting method used to account for the transfer for functions.

Assessing control - GRAP 105 is not explicit that the principles in GRAP 35 should be applied to assess control.

Outline of the Standards - In IPSAS 40, application guidance is included as an annexure to the Standard. GRAP 105 and GRAP 107 do not have any application guidance, as all the principles are included in the Standard itself.

Identifying amalgamation (transfer/merger) date, assets, and liabilities - GRAP 105 and GRAP 107 explains that the terms and conditions of the binding arrangement should be considered to identify the acquirer/combined entity, the assets and liabilities, and the transfer/merger date. GRAP 105 and GRAP 107 also include guidance to identify the acquirer/combined entity when it is not clear from the binding arrangement.

IPSAS 40 does not provide guidance on what should be considered to identify the resulting entity, the assets, and liabilities to be transferred or assumed, or the transfer date.

Pre-existing relationship - GRAP 105 includes guidance on identifying, and accounting for, a pre-existing relationship between the acquirer and transferor that is not part of the transfer of functions. Similar guidance is not included in IPSAS 40 (or in GRAP 107).

Calculation of the excess in the combination (transfer/merger) - The excess in the combination (transfer or merger) is calculated as the difference between the carrying amounts of the assets acquired and liabilities assumed, and any adjustments made to conform the accounting policies of the combining operations (transferor/combining entities) to those of the resulting entity (acquirer/combined entity).

The following elements are different:

- GRAP 105 also includes the consideration paid in the calculation, whereas IPSAS 40 is silent on whether the consideration should be included in the calculation; and
- In addition to recognising the identifiable assets and liabilities, IPSAS 40 includes the carrying amount of the combining operation's non-controlling interest and the effect of any adjustments made to eliminate transactions between the combining entities in the calculation of the excess. Neither GRAP 105 nor GRAP 107 require these components to be included when calculating the excess of the combination.



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

Assets and liabilities transferred - IPSAS 40 requires that the resulting entity should classify or designate the assets and liabilities received in an amalgamation using the classifications or designations previously applied by the combining operations. The resulting entity is not allowed to adopt different classifications or designations on initial recognition, even if this is permitted by other IPSASs.

This is different to the requirements in GRAP 105 and GRAP 107 that require the acquirer/combined entity to classify or designate the assets acquired and liabilities assumed to apply the Standards of GRAP. The classifications or designations are made on the basis of the terms of the binding arrangement, economic conditions, the acquirer's operating or accounting policies and other relevant conditions that exist at the transfer date.

There is, however, an exception included in GRAP 105 and GRAP 107 relating to the classification of leases, and the classification of a contract as an insurance contract. Similar exceptions are not included in IPSAS 40.

Measurement period - IPSAS 40, GRAP 105 and GRAP 107 allow for a measurement period if the initial accounting for the amalgamation (transfer/merger) is incomplete by the end of the reporting period in which the amalgamation (transfer/merger) occurs. In IPSAS 40 the measurement period should not exceed one year from the amalgamation date. GRAP 105 and GRAP 107 allow two years.

Presentation - As per GRAP 107, the combined entity need not present comparative information in the first reporting period. GRAP 105 does not include a similar requirement as the transfer of functions is only effective from the transfer date and the entity combines the assets and liabilities of the transferor with its own at that date. As the transfer of functions does not impact the acquirer's prior year information, the acquirer's comparative information need not be adjusted.

In IPSAS 40, the resulting entity has an option to not present financial statements for periods prior to the amalgamation date. Where the resulting entity elects to present financial statements, specific disclosures are required for each combining operation.

There are certain guidance included in IPSAS40 but not in GRAP105 and 107, and vice versa.

### Supersede

This Standard supersedes the Standard of GRAP on Transfer of Functions Between Entities Under Common Control issued in 2010.

The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.

It is unlikely that the revision will have a material impact on the Municipality's Annual Financial Statements.

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Annual Financial Statements for the year ended 30 June 2025

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### 2. New standards and interpretations (continued)

#### GRAP 106 (as revised): Transfer of Functions Between Entities Not Under Common Control

##### Overview and project objective

At the time GRAP 105, GRAP 106 and GRAP 107 (hereafter "the local Standards") were developed, an equivalent International Public Sector Accounting Standard (IPSAS) did not exist. IPSAS 40 on Public Sector Combinations was since issued in 2017. IPSAS 40 was compared with local Standards to identify any similarities and differences. Even though IPSAS 40 applies to combinations that are classified as either an amalgamation or an acquisition, the substance of combinations accounted for using IPSAS 40 is similar to that in the local Standards. Based on the outcome of the comparison, the Board agreed that the local Standards should be amended to include additional, authoritative guidance from IPSAS 40, where applicable and retain guidance in the local Standards not included in IPSAS, where appropriate. The Board also agreed to include amendments to the IFRS Accounting Standard on Business Combinations (IFRS 3) after the publication of IPSAS 40, as IFRS 3 was used to develop parts of the local Standards.

The Board agreed that the three Standards of GRAP should be retained, rather than to issue an equivalent IPSAS. Local stakeholders understand when to apply a relevant Standard and to date, no significant application issues were raised.

##### Significant differences between IPSAS 40 and the GRAP Standards, prior to the revisions proposed Scope

- a) IPSAS 40 includes a scope exclusion explaining that the Standard does not apply to the acquisition by an investment entity of an investment in a controlled entity that is required to be measured at fair value through surplus or deficit;
- (b) the GRAP Standards include additional scope exclusions for transfers or mergers that are not within the Standard's scope. As IPSAS 40 addresses all combinations, a similar scope exclusion is not relevant;
- (c) the GRAP Standards include explanatory guidance on the scope exclusions in the Standards. Similar explanatory guidance for the scope exclusions is not included in IPSAS 40; and
- (d) GRAP 107 does not include a scope exclusion for the transfer of individual assets and liabilities.

##### Definitions

IPSAS 40 separates the definitions in the Standard between "general definitions relating to all public sector combinations", "definitions relating to amalgamations" and "definitions relating to acquisitions". The GRAP Standards include definitions relevant to the type of transfer or merger within the scope of the particular Standard. Other differences include:

- (a) terminology differences – this is because IPSAS 40 provides guidance on amalgamations and acquisitions, and GRAP classifies the transactions or events as either a transfer of function or a merger. For example, IPSAS 40 refers public sector combinations, amalgamation, and acquisition date, and resulting entity, whereas the GRAPs refer to a transfer of functions, transfer, acquisition, or merger date, and acquiree and combining entity; and
- (b) definitions not included in the GRAP Standards and vice versa – for example, IPSAS 40 includes definitions for mutual entity and goodwill, while the GRAP Standards define residual value, non-controlling interests, and binding arrangement.

##### Identifying an operation or function

IPSAS 40 defines an operation as "an integrated set of activities and related assets and/or liabilities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential." The definition of a function in the GRAP Standards is similar, except that it excludes "and related assets and/or liabilities".

The guidance explaining what an integrated set of activities comprises, is similar between IPSAS 40 and the GRAP Standards. Other than using different terms (i.e., GRAP 105 and GRAP 106 refer to "a function" whereas IPSAS 40 refers to "an operation"), IPSAS 40 includes additional guidance to explain that, determining if a particular set of activities and the related assets and liabilities are an operation, should be based on whether the integrated set is capable of being conducted and managed as an operation by another entity.

Outline of the Standards - In IPSAS 40, application guidance is included as an annexure to the Standard. GRAP 106 does not have an application guidance section as all the principles are included in the Standard itself.



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### 2. New standards and interpretations (continued)

Assessing control - GRAP 106 is not explicit that the principles in GRAP 35 should be applied in assessing control.

Identifying acquisition date, assets, and liabilities - GRAP 106 explains that the terms and conditions of the binding arrangement should be considered to identify the acquirer and the acquisition date. GRAP 106 also includes guidance to identify the acquirer/combined entity when it is not clear from the binding arrangement. IPSAS 40 does not provide guidance on what should be considered to identify the resulting entity. GRAP 106 requires that the terms and conditions in the binding arrangement should be considered to determine the acquisition date, and the assets and liabilities to be transferred. IPSAS 40 is not as specific that a binding arrangement needs to be in place to determine the acquisition date. To identify the assets and liabilities to be transferred or assumed, IPSAS 40 merely refers to "must be what the acquirer and acquiree has exchanged".

Non-controlling interests - Additional guidance is included in GRAP 106 on the measurement of a noncontrolling interest in an acquiree.

Subsequent measurement - For the subsequent measurement of a reacquired right, IPSAS 40 distinguishes between a right with a finite and indefinite period. A similar distinction is not made in GRAP 106.

Calculation of the excess in the acquisition - GRAP 106 requires that the excess in transfer of functions be recognised in surplus and deficit. IPSAS 40 requires that the excess be recognised as goodwill. As a result, IPSAS 40 includes additional guidance on the recognition and measurement of goodwill, which is not included in GRAP 106.

Acquisition achieved in stages - Both Standards include similar guidance on the accounting for an acquisition achieved in stages, except for the treatment of the resulting gain or loss. IPSAS 40 requires that the gain or loss be recognised in surplus or deficit or in net assets/equity, whereas GRAP 106 requires it to be recognised in surplus or deficit only.

Measurement period - Both IPSAS 40 and GRAP 106 allow for a measurement period if the initial accounting for the acquisition is incomplete by the end of the reporting period, in which the acquisition occurs. In IPSAS 40 the measurement period should not exceed one year from the acquisition date. GRAP 106 allows two years. The increase or decrease in the provisional amount is recognised in goodwill in IPSAS 40, while the provisional amount is adjusted against surplus or deficit in GRAP 106.

Pre-existing relationship - Both Standards include similar guidance on determining what is part of the acquisition transaction if there was a pre-existing relationship between the acquirer and the acquiree. However, IPSAS 40 includes an additional principle to explain that a transaction entered into before the acquisition, by or on behalf of the acquirer or primarily for the benefit of the acquirer, is likely to be a separate transaction. IPSAS 40 also includes additional guidance of factors to be considered to determine if a transaction is part of the exchange of the acquired operation.

There are certain guidance included in IPSAS40 but not in GRAP106, and vice versa.

### Supersede

This Standard supersedes the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control issued in 2010.

The amendments to the Standards are approved by the Board. The amendments may not be applied by entities in developing an accounting policy. Entities are only permitted to adopt the amendments once an effective date has been determined by the Minister of Finance.

It is unlikely that the revisions will have a material impact on the Municipality's Annual Financial Statements.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 2. New standards and interpretations (continued)

#### GRAP 2023: Improvements to the Standards of GRAP 2023

The Board undertakes periodic revisions of the Standards of GRAP in line with best practice internationally among standard setters. The Improvements to the Standards of GRAP include changes resulting from to the International Public Sector Accounting Standards and the International Financial Reporting Standards, as well as general improvements identified through consultation with stakeholders. The Improvements to the Standards of GRAP (2023) was approved by the Board and issued in November 2023.

#### GRAP 1 – Presentation of Financial Statements

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

##### General Improvements

- Provide clarity to the terms "publicly available" and "publicly accountable".
- Remove encouraged disclosures with limited information value.

#### GRAP2 - Cash Flow Statements

##### General Improvements

Amend disclosures to read as "useful additional information that may be disclosed" as opposed to "encouraged disclosures".

#### GRAP 3 – Accounting policies, Changes in Accounting Estimates and Errors

##### Narrow scope amendments to IAS 8 Feb 2021

Change in the definition of an accounting estimate because the previous definition was not sufficiently clear.

##### General Improvements

Clarify that the requirements only apply to Standards of GRAP that are not yet effective for which the Minister of Finance has already determined an effective date.

#### GRAP 5 – Borrowing Costs, Amendments to the IPSAS on Borrowing Costs (IPSAS 5) – Non-authoritative Guidance 2021

Add the Illustrative Examples in IPSAS 5 to GRAP 5.

#### GRAP13 - Leases

##### General Improvements

Remove encouraged disclosures with limited information value.

#### GRAP 17 – Property, Plant and Equipment

##### Improvements to IPSAS 2021

Amendments are made to prohibit proceeds from selling items produced before that asset is available, to be deducted from the cost of property, plant and equipment

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 2. New standards and interpretations (continued)

#### GRAP19 - Provisions, Contingent Liabilities and Contingent Assets

##### General Improvements

Remove encouraged disclosures with limited information value.

#### GRAP 20 – Related Party Disclosures

##### General Improvements

Update the definition of "significant influence" to align with the Standard of GRAP on Investments in Associates and Joint Ventures (GRAP 36).

#### GRAP23 - Revenue from Non-exchange Transactions (Taxes and Transfers)

##### General Improvements

Remove encouraged disclosures with limited information value.

#### GRAP24 - Presentation of Budget Information in Financial Statements

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

##### General Improvements

- Provide clarity to the terms "publicly available" and "publicly accountable".
- Simplify the disclosures on the presentation of a reconciliation to improve the quality of reporting, by not prescribing the line items to reconcile to.
- Re-instate the Illustrative Examples that were deleted when GRAP 24 became effective.

#### GRAP27 - Agriculture

##### General Improvements

Remove encouraged disclosures and repackage it as "useful information" in another section of the Standard.

#### GRAP31 - Intangible Assets

##### General Improvements

- Clarify when the Standard of GRAP on Service Concession Arrangements: Grantor (GRAP 32) is applicable.
- Remove reference to fully depreciated assets.
- Remove encouraged disclosures with limited information value.

#### GRAP 104 – Financial Instruments

##### Improvements to IPSAS 2021

- Interest Rate Benchmark Reform - Amendments to provide a practical expedient not to treat changes in contractual cash flows as a modification.
- Amendments to clarify the fees that an entity includes when it applies the "10 percent" test to derecognise a financial liability.

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 2. New standards and interpretations (continued)

#### General Improvements

Remove encouraged disclosures with limited information value.

#### IGRAP20 - Accounting for Adjustments to Revenue

##### Narrow scope amendments to IAS 8 Feb 2021

Change in the definition of an accounting estimate because the previous definition was not sufficiently clear.

#### Directive 12 - The Selection of an Appropriate Reporting Framework by Public Entities

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

#### Guideline on The Application of Materiality to Financial Statements

##### Narrow scope amendments to the IAS Standard on Presentation of Financial Statements (IAS 1) Feb 2021

Disclosure of Accounting Policies: Changes from "significant accounting policies" to "material accounting policies" because the Standards of GRAP do not define the term "significant".

#### General Improvements

Amendments resulting from the review of the Standard of GRAP on Cash Flow Statements (GRAP 2) and the Standard of GRAP on Presentation of Budget Information in Financial Statements (GRAP 24).

It is unlikely that the standard will have a material impact on the Municipality's Annual Financial Statements.

#### GRAP 1 (amended): Presentation of Financial Statements (Going Concern)

The Board undertook a project in 2021 to consider the guidance and disclosure requirements on going concern in the relevant Standards of GRAP. As an outcome of this project, the Board agreed to include additional guidance and disclosures on going concern in this Standard. Consequential amendments are also made to the Standard of GRAP on Events After the Reporting Date.

#### Applicability of going concern in the public sector

An entity prepares its financial statements on a going concern basis unless there is an intention to liquidate the entity, to cease operating, or if there is no realistic alternative but to do so. A liquidation or cessation of an entity's operations will result in the termination of all its functions.

In South Africa, specific legislative requirements need to be followed before a decision is taken to liquidate a public sector entity, to cease or scale back its operations, to transfer some or all of its functions to another entity, or to merge one or more entities. The "intention" to liquidate an entity, to cease or scale back its operations, to transfer some or all of its functions to another entity, or to merge one or more entities needs to be established. This intention can be reflected in a number of ways and may encompass legislation passed in Parliament or a provincial legislature, cabinet decision, ministerial order, a decision made by a municipal council, board, council or equivalent, a regulation or a notice, or other official means.

The liquidation or cessation of a public sector entity's operations is rare, and only in the case of dissolution without any continuation of the entity's operations will the going concern basis cease to apply. When all, or some of the functions of an entity are transferred to another entity, or when a decision is taken to merge one or more entities, the application of the going concern basis remains appropriate. This is because the entity's functions will continue to be provided in a modified form, even though they are executed by another entity.

The Board agreed to include explanatory guidance in this Standard on the application of the going concern assumption by public sector entities.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 2. New standards and interpretations (continued)

Where some of an entity's functions are transferred in a transfer of functions, and the remaining functions are discontinued, there are two separate transactions. The Board concluded that management should assess these transactions separately based on the functions transferred, those to be discontinued (if any), and those that may be retained and continued (if any), to determine if preparing the entity's financial statements on a going concern basis remains appropriate.

#### Disclosure on going concern

The Board's project highlighted a need for specific disclosures on going concern, material uncertainties relating to going concern, and actions taken by management to mitigate these uncertainties. Consideration was also given to the practices, guidance and requirements in other countries and/or from other standard-setting bodies on these matters.

To address the diversity in the information disclosed on going concern, the Board agreed to expand the disclosure requirements in this Standard to ensure that consistent disclosures are provided.

It is unlikely that the standards will have a material impact on the Municipality's Annual Financial Statements.

#### 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 (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) 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 results 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
- Disclosures

It is unlikely that the amendment will have a material impact on the Municipality's Annual Financial Statements.

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 3. Property, Plant and Equipment

##### 3.1 Reconciliation summary

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 211 650	-	1 211 650	1 211 650	-	1 211 650
Machinery and Equipment	978 109	(646 976)	331 133	946 741	(568 860)	377 881
Furniture and Office Equipment	2 319 170	(1 570 073)	749 097	1 850 954	(984 751)	866 203
Transport Assets	6 536 748	(2 651 749)	3 884 999	3 507 234	(2 258 918)	1 248 316
Computer Equipment	2 518 487	(994 882)	1 523 605	1 973 776	(745 225)	1 228 551
<b>Other assets</b>						
Buildings	6 889 488	(2 132 557)	4 756 931	6 889 488	(2 014 172)	4 875 316
<b>Total</b>	<b>20 453 652</b>	<b>(7 996 237)</b>	<b>12 457 415</b>	<b>16 379 843</b>	<b>(6 571 926)</b>	<b>9 807 917</b>



# Central Karoo District Municipality

## Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 3. Property, Plant and Equipment (continued)

##### 3.2 Reconciliation of carrying value

2025

	Opening balance	Additions	Depreciation	Total
Land	1 211 650	-	-	1 211 650
Buildings	4 875 317	-	(118 386)	4 756 931
Machinery and Equipment	377 881	31 368	(78 116)	331 133
Furniture and Office Equipment	866 205	55 551	(172 659)	749 097
Transport Assets	1 248 315	3 029 514	(392 830)	3 884 999
Computer Equipment	1 228 549	543 388	(248 332)	1 523 605
<b>Total</b>	<b>9 807 917</b>	<b>3 659 821</b>	<b>(1 010 323)</b>	<b>12 457 415</b>

2024

	Opening balance (including residual values)	Additions (including residual values)	Disposals (cost)	Disposals (accumulated depreciation)	Depreciation	Total
Land	1 211 650	-	-	-	-	1 211 650
Buildings	4 092 562	879 152	-	-	(96 398)	4 875 316
Machinery and Equipment	152 077	275 981	-	-	(50 177)	377 881
Furniture and Office Equipment	995 352	36 811	(2 269)	1 325	(165 016)	866 203
Transport Assets	841 536	633 579	-	-	(226 799)	1 248 316
Computer Equipment	1 190 690	215 459	-	-	(177 598)	1 228 551
<b>Leased assets</b>	<b>59 275</b>	<b>-</b>	<b>(413 988)</b>	<b>413 988</b>	<b>(59 275)</b>	<b>-</b>
<b>Furniture and Office Equipment</b>						
<b>Total</b>	<b>8 543 142</b>	<b>2 040 982</b>	<b>(416 257)</b>	<b>415 313</b>	<b>(775 263)</b>	<b>9 807 917</b>

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 3. Property, Plant and Equipment (continued)

Property, plant and equipment	12 457 415	9 807 917
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### 3.3 Property, Plant and Equipment which is in the process of being constructed or developed:

The following assets were still in the process of being constructed at year end:

#### Accumulated expenditure included in carrying value of property, plant and equipment

Office Equipment	-	-
Office Equipment		
Balance at the beginning of the year	-	25 421
Expenditure during the year	-	-
Assets unbundled during the year	-	(25 421)
Impairment recognised during the year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

No items of Property, Plant and Equipment are in the process of being constructed and developed in the 2024/2025 financial year.

No items of Property, Plant and Equipment are taking a significantly longer period of time to complete than expected.

No instances occurred where the construction or development of items Property, Plant and Equipment has been halted either in the current or prior financial years.

### 3.4 Expenditure incurred to repair and maintain Property, Plant and Equipment:

Expenditure item	-	12 125
Inventory Consumed	35 554	115 151
Contracted Services	-	7 019
Operational Costs	35 554	134 295

### 3.5 Property, Plant and Equipment pledged as security

No items of Property, Plant and Equipment were pledged as security.

### 3.6 Change in estimate

#### Useful life of property, plant and equipment

The useful lives of certain Equipment items were estimated in 2023/2024 (prior year) to be a certain number of years as per Fixed Asset Register.

In the current period, management has revised their estimates. The effect of this revision has caused the depreciation charges for the current and future periods to be affected as follows:

	2025	2026	2027
<b>Effects on Property, Plant and Equipment:</b>			
Computer Equipment	2 310	2 310	2 310
Furniture and office equipment	3 251	3 444	3 444
Machinery and Equipment	10 287	10 287	10 287
	<b>15 848</b>	<b>16 041</b>	<b>16 041</b>

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 3. Property, Plant and Equipment (continued)

#### 3.7 Contractual Commitments for the acquisition of Property, Plant and Equipment

The items below for the 2023/2024 financial year were financed from Government Grants:

Approved and contracted for:	
Transport assets	- 2 378 876

#### 3.8 General

No service concession arrangements are applicable to the Municipality.

There is no Land appointed in terms of legislation which the Municipality controls without legal ownership or custodianship.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

### 4. Intangible assets

#### 4.1 Reconciliation of carrying value

##### 2025

	Computer software	Total
Opening carrying value as at 01 July 2024		
Cost	172 519	172 519
Accumulated amortisation	(139 218)	(139 218)
	<b>33 301</b>	<b>33 301</b>
Additions from acquisitions	3 375	3 375
Closing carrying value as at 30 June 2025	<b>36 676</b>	<b>36 676</b>
Cost	175 894	175 894
Accumulated amortisation and impairment	(139 218)	(139 218)
	<b>36 676</b>	<b>36 676</b>

##### 2024

	Computer software	Total
Opening carrying value as at 01 July 2023		
Cost	172 519	172 519
Accumulated amortisation	(110 302)	(110 302)
	<b>62 217</b>	<b>62 217</b>
Amortisation	(14 189)	(14 189)
Closing carrying value as at 30 June 2024	<b>48 028</b>	<b>48 028</b>
Cost	172 519	172 519
Accumulated amortisation and impairment	(124 490)	(124 490)
	<b>48 029</b>	<b>48 029</b>

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 4. Intangible assets (continued)

#### 4.2 Intangible assets under development

There are no items of Intangible Assets in the process of development.

There are no items of Intangible Assets where the process of development is taking a significant longer period of time to be completed.

There are no items of Intangible Assets where the process of development has been halted.

#### 4.3 Effects of changes in accounting estimates

The useful lives of certain Intangible Assets were estimated in 2023/2024 (prior year) to be a certain number of years as per Fixed Asset Register.

In the current period Management has revised their estimate. The effect of this revision has caused the amortisation charges for the current and future periods to be affected as follows:

	2025	2026	2027
Computer Software and applications	2 592	4 309	4 309

#### 4.4 General

No items of Intangible Assets were assessed as having indefinite useful lives.

There are no internally generated Intangible Assets at reporting date.

There are no Intangible Assets pledged as security for liabilities.

There are no items of Intangible Assets whose titles have been restricted.

There are no contractual commitments for the acquisition of Intangible Assets.

No service concession arrangements are applicable to the Municipality.

### 5. Non-current receivables from non-exchange transactions

#### Department of Infrastructure: Roads - Employee Benefits at Amortised

Cost		5 113 000	5 752 000
Post Employment Health Care Benefits		2 288 000	1 799 000
Long Service Awards			
<b>Total</b>		<b>7 401 000</b>	<b>7 551 000</b>
Transferred to Current portion of Non-Current Receivables	15	(655 000)	(570 701)
<b>Total non-current other receivables</b>		<b>6 746 000</b>	<b>6 980 299</b>

Transferred to Current portion of Non-Current Receivables			
Post Employment Health Care Benefits - current portion		(328 000)	(391 477)
Long Service Awards - current portion		(327 000)	(179 224)
		<b>(655 000)</b>	<b>(570 701)</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>6. Inventory</b>		
Maintenance materials - at cost	1 286 408	1 446 813
Materials and supplies	91 157	124 138
<b>Total Inventories</b>	<b>1 377 565</b>	<b>1 570 951</b>

Inventory expenditure of R 14,522,321 (2024: R 14,105,844) was recognised in the Statement of Financial Performance for the year.

The amount of write-down to Net Realisable Value of inventories recognised in the Statement of Financial Performance was R 5,380 (2024: R 35,275) for the financial year.

No inventories were pledged as security for liabilities.

### 7. Trade and other receivables from exchange transactions

Department of Infrastructure, Rental Debtors and Statutory Receivables	7.1	17 712 535	13 440 730
Current assets		17 712 535	13 440 730

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand 2025 2024

#### 7. Trade and other receivables from exchange transactions (continued)

##### 7.1 Department of Infrastructure, Rental Debtors and Statutory Receivables

	2025		2024	
	Gross	Total	Gross	Total
Property rental debtors	2 602	2 602	7 878	7 878
Department of Infrastructure	17 176 758	17 176 758	12 844 383	12 844 383
Input Accrual	376 723	376 723	494 618	494 618
VAT Control (Receivable)	156 452	156 452	93 851	93 851
<b>Total</b>	<b>17 712 535</b>	<b>17 712 535</b>	<b>13 440 730</b>	<b>13 440 730</b>

##### 7.1.1 Ageing of department of infrastructure, rental debtors and statutory receivables

2025

	Not due		Past due	
	Total	Current	30 days	60 days
Ageing by debt type	2 602	2 602	-	-
Property rental debtors	17 176 758	6 323 190	5 543 050	5 310 518
Department of Infrastructure	376 723	376 723	-	-
Input Accrual	156 452	156 452	-	-
VAT Control (Receivable)	17 712 535	6 858 967	5 543 050	5 310 518
<b>Total ageing by debt type</b>				



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

### 7. Trade and other receivables from exchange transactions (continued)

2024

		Not due	Past due
	Total	Current	30 days
Ageing by debt type			
Property rental debtors	7 878	7 878	-
Department of Infrastructure	12 844 383	7 692 467	5 151 916
Input Accrual	494 618	494 618	-
VAT Control (Receivable)	93 851	93 851	-
<b>Total ageing by debt type</b>	<b>13 440 730</b>	<b>8 288 814</b>	<b>5 151 916</b>

#### 7.1.2 Credit quality of Department of Infrastructure and Rental Debtors

Debtors are payable within 30 days.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation.

The fair value of receivables from exchange transactions approximate their carrying value.

The VAT Receivable balance previously disclosed represented the net VAT Receivable from SARS and Net VAT accrual amounts. These amounts have been reclassified to correctly present Vat Input Accrual, VAT Output Accrual and the VAT Receivable from SARS in terms of the requirements of GRAP1.79 and the additional guidance provided in terms of SALGA circular 38 of 2025, for the current financial year and the comparative figures.

### 8. Receivables from non-exchange transactions

Other receivables	780 492	495 340
Ageing of amounts past due, but not impaired:		
Current (0 - 30 days)	378 696	129 393
1 month past due	52 469	10 144
2+ months past due	349 327	355 803
	<b>780 492</b>	<b>495 340</b>

Debtors are payable within 30 days.

The credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation.

The fair value of receivables from exchange transactions approximate their carrying value.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>9. Cash and cash equivalents</b>		
<b>9.1 Cash and cash equivalents</b>		
Call deposits and investments	993 834	11 200 686
Cash at bank		
Bank account	4 185 394	1 484 757
Cash on hand	1 749	1 381
<b>Total cash and cash equivalents</b>	<b>5 180 977</b>	<b>12 686 824</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

The carrying value approximates the fair value of the asset.

The Municipality did not make of any overdraft facilities during the year.

### Call deposits and investments by financial institution

Institution	Account number	Account type		
	03/7881114568	Call deposit - CKDM Investment No.1	31 920	47 305
Nedbank	03/7881125551	Call deposit - Roads Department	358 323	2 647 543
Nedbank	03/7881121858	Call deposit - Provision for Employee Benefits	48 568	995 600
Nedbank	03/7881150777	Call deposit - Financial Management Capacity	101 799	1 802 882
Nedbank	03/7881151625	Call deposit - General Investment	185 511	5 672 493
Nedbank	62 835 272 361	Call deposit - General Investment	37 619	34 864
First National Bank	93 93 988 728	Call deposit - Investment Tracker 1	120 447	-
ABSA	93 96 449 741	Call deposit - Investment Tracker 2	109 647	-
ABSA			993 834	11 200 687

### 9.2 Bank accounts

The municipality has the following bank accounts:

Nedbank	Cheque Account - Account Number: 1178835510	2 647 962	1 080 852
ABSA Bank	Cheque Account - Account Number: 1540000014	1 512 634	133 889
First National Bank	Current Account - Account Number: 62062151429	24 798	270 016
<b>Total</b>		<b>4 185 394</b>	<b>1 484 757</b>

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

### 9. Cash and cash equivalents (continued)

#### 9.3 Difference between cash book and bank statement

2025

	Cash book	Bank statement	Difference
Nedbank - Cheque Account - Account Number: 1178835510	2 647 962	2 644 546	3 416
ABSA - Cheque Account - Account Number: 1540000014	1 512 634	1 512 634	-
First National Bank - Current Account - Account Number: 62062151429	24 798	24 798	-
	<b>4 185 394</b>	<b>4 181 978</b>	<b>3 416</b>
Bank statement balance at beginning of year		1 481 342	1 804 114
Bank statement balance at end of year		4 185 394	1 481 342
Cash book balance at beginning of year		1 484 757	1 807 530
Bank statement balance at end of year		4 185 394	1 481 342



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 10. Non-current Employee Benefits

#### 10.1 Defined benefit obligations

<b>Long service awards</b>			
Present value of defined benefit obligation	10.1.1	3 199 000	2 660 000
<b>Post Retirement Health Care Benefits</b>			
Present value of defined benefit obligation	10.1.1	11 701 000	11 681 000
<b>Total</b>		<b>14 900 000</b>	<b>14 341 000</b>

#### 10.1.1 Reconciliation of present value of the non-current employee benefits

	Long Service Awards	Post Retirement Health Care Benefits	Total
<b>Defined benefit obligation at 01 July 2023</b>			
Opening balance	2 655 000	11 703 000	14 358 000
Interest cost	284 000	1 355 000	1 639 000
Current service cost	247 000	271 000	518 000
Actuarial (Gains) / Losses	(160 813)	(825 109)	(985 922)
Benefits paid	(365 187)	(822 891)	(1 188 078)
<b>Total obligation at June 30, 2024</b>	<b>2 660 000</b>	<b>11 681 000</b>	<b>14 341 000</b>
Opening balance	2 660 000	11 681 000	14 341 000
Interest cost	281 000	1 330 000	1 611 000
Current service cost	264 000	283 000	547 000
Actuarial (Gains) / Losses	314 899	(800 986)	(486 087)
Benefits paid	(320 899)	(791 014)	(1 111 913)
<b>Defined benefit obligation at 30 June 2025</b>	<b>3 199 000</b>	<b>11 702 000</b>	<b>14 900 000</b>

#### 2025 - Split between Non-current and Current

	Long Service Awards	Post Retirement Health Care Benefits	Total
Total obligation as the end of the financial year	3 199 000	11 702 000	14 901 000
Less: Transfer of Current Portion to Current Provisions	(370 000)	(888 000)	(1 258 000)
<b>Non-current Employee Benefit</b>	<b>2 829 000</b>	<b>10 814 000</b>	<b>13 643 000</b>

#### 2024 - Split between Non-current and Current

	Long service awards	Post Retirement Health Care Benefits	Total
Total obligation as the end of the financial year	2 660 000	11 681 000	14 341 000
Less: Transfer of Current Portion to Current Provisions	(265 000)	(795 000)	(1 060 000)
<b>Non-current Employee Benefit</b>	<b>2 395 000</b>	<b>10 886 000</b>	<b>13 281 000</b>

Non-current		13 643 001	13 281 001
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#### 10.1.2 Provision for Post Retirement Health Care Benefits

The valuation of the post retirement health care benefit considers all current employees, retirees and their dependants whose participation in the health care arrangements entitles them to a post employment medical aid subsidy.

## Central Karoo District Municipality

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#### 10. Non-current Employee Benefits (continued)

This post-employment health care benefit does not have a plan asset in place to meet the defined benefit obligation. It is thus not a funded arrangement.

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	35	30
In-service (employee) non-members	130	124
Continuation (retiree and surviving dependents) members	16	17
	<u>181</u>	<u>171</u>

Eligible employees will receive a post-employment subsidy of 70% of the contributions payable should they be a member of a medical scheme and have at least ten years of service at retirement.

Continuation members and their eligible dependants will receive a 70% subsidy.

All post-employment subsidies are subject to a maximum subsidy. The maximum subsidy was assumed to be R 5,791,15 per principal member per month for the year ending 30 June 2025, and has been assumed to increase annually on 1 July at 75% of salary inflation.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- LA Health
- SAMWU Medical Aid

The defined benefit obligation was estimated to be as follows:

In-service (employee) members	2 764 000	3 206 000
In-service (employee) non-members	1 474 000	1 076 000
Continuation (retiree and surviving dependents) members	7 463 000	7 399 000
	<u>11 701 000</u>	<u>11 681 000</u>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total Liability	11,703,000	13,371,000	13,020,000

The Projected Unit Credit Method has been used to value the defined benefit obligation.

## Central Karoo District Municipality

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### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 10. Non-current Employee Benefits (continued)

10.1.3 Reconciliation of present value of fund obligation (Post-retirement medical aid obligation and Long Service Award per subnote 10.2 below):

	Long service awards	Post-employment medical benefits	Total
<b>Balance at 01 July 2023</b>			
Present value at the beginning of the year	2 655 000	11 703 000	14 358 000
Current service cost	247 000	271 000	518 000
Interest Cost	284 000	1 355 000	1 639 000
Benefits Paid	(365 187)	(822 891)	(1 188 078)
Actuarial (gains)/losses	(160 813)	(825 109)	(985 922)
Less: Transfer to current portion	(265 000)	(795 000)	(1 060 000)
<b>Present value at 30 June 2024</b>	<b>2 395 000</b>	<b>10 886 000</b>	<b>13 281 000</b>
<b>Present value at the beginning of the year</b>	<b>2 660 000</b>	<b>11 681 000</b>	<b>14 341 000</b>
Current service cost	264 000	283 000	547 000
Interest Cost	281 000	1 330 000	1 611 000
Benefits Paid	(255 000)	(778 203)	(1 033 203)
Actuarial (gains)/losses	249 000	(814 797)	(565 797)
Less: Transfer to current portion	(370 000)	(888 000)	(1 258 000)
<b>Present value at 30 June 2025</b>	<b>2 829 000</b>	<b>10 813 000</b>	<b>13 642 000</b>



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 10. Non-current Employee Benefits (continued)

#### 10.1.4 Key actuarial assumptions - Post-Retirement Medical Aid Obligation

##### 10.1.4.1 Key finance assumptions:

Discount rate	11,78 %	11,78 %
Consumer price inflation	5,83 %	5,83 %
Medical aid contribution inflation rate	7,33 %	7,33 %
Net effect on discount rate	4,15 %	4,15 %

Grap 25 defines the determination of the Discount rate assumption to be used as follow:

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 DBO. However, where there is no deep market in government bonds with sufficiently long maturity to match the estimated term of the benefit payments, current market rates of 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 11.78% per annum has been used. The corresponding index linked yield at this term is 5.15%. 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 prior to financial year end.

##### 10.1.4.2 Demographic Assumptions:

###### Mortality during employment:

Mortality before retirement has been based on the SA 85-90 mortality tables, adjusted for female lives.

###### Post-Employment Mortality:

PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010.

###### Termination of Service:

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined Benefit Obligation in respect of that employee ceases.

###### Average retirement age:

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement.

Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

###### Continuation of Membership:

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

###### Proportion of Eligible In-Service Non-Members Joining a Scheme by Retirement:

It has been assumed that 15% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.

###### Family Profile:

It has been assumed that female spouses will be four years younger than their male counterparts. Furthermore, we've assumed that 60% of eligible employees on a health care arrangement at retirement will have a subsidised spouse dependant. For current retiree members, actual subsidised spouse dependants were used and the potential for remarriage was ignored.

##### 10.1.3.3 Plan Asset:

There are no long-term assets set aside off balance-sheet in respect of the Municipality's post employment health care DBO.

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

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#### 10. Non-current Employee Benefits (continued)

##### 10.1.5 Sensitivity analysis - Post Retirement Medical Aid Obligation

##### Sensitivity Analysis on the Accrued Liability on 30 June 2025

Central assumptions		
Eligible Employees	4 238 000	4 282 000
Continuation members	7 463 000	7 399 000
	<b>11 701 000</b>	<b>11 681 000</b>

The liability has been recalculated using the following assumptions:

- \*\*20% increase/decrease in the assumed level of mortality rates.
- \*\*20% increase/decrease in the assumed level of withdrawal rates.
- \*\*1% increase/decrease in medical aid inflation.
- \*\*1% increase/decrease in discount rate.
- \*\*1-year increase/decrease in average retirement age.

The effect of movements in the assumptions are as follows:

Assumption	Change	Total accrued liability	Interest cost	Service cost
Mortality rate	-20%	12 530 000	1 425 000	287 000
Mortality rate	+20%	11 010 000	1 246 000	249 000
Withdrawal rate	-20%	11 774 000	1 337 000	276 000
Withdrawal rate	+20%	11 635 000	1 320 000	258 000
Medical aid inflation	-1%	10 825 000	1 224 000	235 000
Medical aid inflation	+1%	12 474 000	1 419 000	292 000
Discount rate	-1%	12 974 000	1 479 000	324 000
Discount rate	+1%	10 634 000	1 201 000	222 000
Average retirement age	-1 year	12 161 000	1 384 000	306 000
Average retirement age	+1 year	11 334 000	1 287 000	245 000
		<b>117 351 000</b>	<b>13 322 000</b>	<b>2 694 000</b>

##### 10.1.6 Maturity Analysis - Post retirement medical aid obligation

The following table provides the maturity analysis based on future benefits payments:

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## Notes to the Annual Financial Statements

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### 10. Non-current Employee Benefits (continued)

Category	1-year Projection	2-5 year Projection	5+ year Projection	Total
Present value of Future Benefit Payments	823 214	2 738 426	11 380 617	14 942 257

### 10.2 Long Service Awards

This valuation considers all employees eligible for long service awards (LSA).

The Municipality offers employees LSA for every five years of service completed, from ten years of service to 45 years of service, inclusive.

#### Employees eligible for Long service awards

Roads	119	108
Non-Roads	46	46
	<u>165</u>	<u>154</u>

The unfunded liability in respect of past service has been estimated as R 3,199,000 (2024: R 2 660 000).

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2023	2022	2021
Total liability	2,665,000	2,350,000	2,556,000

### 10.2.1 Key Assumptions - Long Service Awards

Assumption	2025	2024
Discount rate	9,27%	11,1%
Consumer Price Index	3,62%	5,24%
Normal salary increase rate	4,62%	6,24%
Net effective discount rate	4,44%	4,58%

Grat 25 defines the determination of the Discount rate assumption to be used as follow:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the DBO. 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 9.27% per annum has been used. This yield was obtained by calculating the duration of the liability and then taking the yield from the yield curve at that duration using an iterative process (because the yield depends on the duration, which in turn depends on the liability). The corresponding liability-weighted index-linked yield is 5.10%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close prior to financial year end. The duration of the total liability was estimated to be 9 years

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 10. Non-current Employee Benefits (continued)

Demographic Assumptions:

#### Promotional Earnings Scale

The annual escalation rates below are in addition to the general earnings inflation assumption of 6.24% per annum for all employees.

#### Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

#### Termination of Service

If an eligible employee leaves due to resignation or retrenchment, the employer's Defined Benefit Obligation in respect of that employee ceases.

#### Mortality during Employment

Mortality before retirement has been based on the SA 85-90 ultimate table, adjusted for female lives. These are the most commonly used tables in the industry.

Plan assets:

Management has indicated that there are currently no long-term assets set aside off-balance sheet in respect of the LSA DBO.

Refer to 10.1.3 above for a reconciliation of present value of fund obligation.

### Sensitivity Analysis - Long Service Awards

#### Sensitivity Analysis on the Accrued Liability on 30 June 2024

Central Assumptions	2 853 000	2 660 000
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The liability has been recalculated using the following assumptions:

- \*\*20% increase/decrease in the assumed level of mortality rates.
- \*\*20% increase/decrease in the assumed level of withdrawal rates.
- \*\*1% increase/decrease in normal salary inflation.
- \*\*1% increase/decrease in discount rate.
- \*\*1-year increase/decrease in average retirement age.

The effect of movements in the assumptions are as follows:

Assumption	Change	Total accrued liability	Current service cost	Interest cost
Mortality rate	-20%	3 222 000	306 000	301 000
Mortality rate	+20%	3 176 000	301 000	296 000
Withdrawal rate	-20%	3 323 000	323 000	311 000
Withdrawal rate	+20%	3 084 000	286 000	287 000
Normal salary inflation	-1%	3 028 000	281 000	282 000
Normal salary inflation	+2%	3 386 000	328 000	317 000
Discount rate	-1%	3 379 000	327 000	282 000
Discount rate	+1%	3 037 000	282 000	313 000
Average retirement age	- 1 year	2 996 000	291 000	279 000
Average retirement age	+ 1 year	3 501 000	321 000	328 000

### Retirement funds

Although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 11. Current Employee Benefits

Employee benefits	11.1	6 490 132	5 966 161
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#### 11.1 Employee benefits

Staff Bonus and Performance Bonus	11.1.1	1 910 943	1 702 738
Leave	11.1.2	3 321 189	3 203 423
Long-service awards - current portion		370 000	265 000
Post Retirement Benefit - current portion		888 000	795 000
<b>Total</b>		<b>6 490 132</b>	<b>5 966 161</b>

##### 11.1.1 Staff Bonus

Opening Balance	1 456 963	1 371 760
Contribution to current portion	3 181 376	2 992 445
Expenditure incurred	(3 079 078)	(2 907 242)
<b>Total</b>	<b>1 559 261</b>	<b>1 456 963</b>

Bonuses are being paid to all permanent municipal staff excluding the bonus payable to Section 57 Managers. The balance at year end represents the portion of the bonus that has already been vested for the current salary cycle.

##### Performance Bonus

Balance at the beginning of the year	245 778	344 281
Contribution to current portion	351 683	7 816
Expenditure incurred	(123 585)	(106 319)
Reversal of provision	(122 192)	-
	<b>351 684</b>	<b>245 778</b>

Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the Council. There is no possibility of reimbursement.

##### 11.1.2 Leave

Opening Balance	3 203 424	2 351 365
Contribution to current portion	604 756	1 721 168
Expenditure incurred	(486 991)	(869 110)
<b>Total</b>	<b>3 321 189</b>	<b>3 203 423</b>

Staff leave is accrued to employees according to the collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

### 12. Trade and other payables from exchange transactions

Other payables	12.1	15 031 307	14 067 016
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#### 12.1 Other payables

Trade Payables	2 207 148	1 620 496
Department of Transport - Income Received in Advance	11 433 333	12 231 216
Sundry Creditors	1 389 944	211 183
Debtors with credit balances	882	4 121
<b>Total</b>	<b>15 031 307</b>	<b>14 067 016</b>

## Central Karoo District Municipality

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### Notes to the Annual Financial Statements

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#### 12. Trade and other payables from exchange transactions (continued)

Payables are being recognised net of any discounts

Payables are being paid within 30 days as prescribed by the MFMA where possible. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.



## Notes to the Annual Financial Statements

### 13. Unspent transfers and subsidies

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**Central Karoo District Municipality**  
Annual Financial Statements for the year ended 30 June 2025

**Notes to the Annual Financial Statements**

Figures in Rand thousand

**13. Unspent transfers and subsidies (continued)**

**13.1 Unspent operational monetary allocations**

	2025					2024		
	Opening balance	Funds received	Transfer to revenue	Repayment unspent grants	Closing balance	Opening balance	Funds received	Transfer to revenue
Departmental Agencies and Accounts	405 707	420 730	(510 770)	-	315 667	472 808	816 220	(383 321)
National departmental agencies								
								405 707

## Annual Financial Statements for the year ended 30 June 2025

Figures in Rand thousand

All the unspent conditional grants are cash backed.

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# Central Karoo District Municipality

## Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 13. Unspent transfers and subsidies (continued)

The Municipality has received the outcome of roll-over application of provincial infrastructure conditional grants in a letter, dated 13 November 2025, Balance relating to the Safety Initiative Implementation - Whole of Society Approach (WOSA) of R 155,116, the Western Cape Municipal Intervention grant of R 146,803 and the Fire Services Capacity Grant of R 70,000, were not approved for roll-over and was repayable by the municipality by end of November 2025. Balances remaining unspent at financial year end, relates to delays in the appointment of service providers as well as allocations received during the latter part of the financial year.

Refer to note 17 for a detailed individual description for each grant and appendix "C" for reconciliation of grants from other spheres of government.

#### 14. Provisions

Litigations	323 930	1 007 462
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During the 2023/2024 financial year, a letter was sent without prejudice to the Office of the State Attorney requesting that the Department consider writing off the debt owed by the Municipality relating to case 222/19, 550/19 and 577/21. Cases 222/19 and 550/19 remains as a provision at 30 June 2025, whereas case 577/21 is still presently a contingent liability.

#### 15. Current portion of non-current receivables

Other receivables	655 000	570 701
Employee Benefits		

#### 16. Accumulated surplus / (deficit)

Opening Balance	5 911 307	11 896 342
Correction of Prior Period Error	-	(4 121 424)
Net surplus	(81 737)	(1 863 611)
Total	5 829 570	5 911 307

Refer to the Statement of Changes in Net Assets for more detail and the movement on Accumulated surplus.

# Central Karoo District Municipality

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## Notes to the Annual Financial Statements

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<b>17. Government grants and subsidies</b>		
<b>Operational</b>		
Monetary allocations	48 162 797	45 585 565
<b>Government grants and subsidies - Operating</b>		
Equitable Share	38 885 000	37 712 000
Expanded Public Works Programme Integrated Grant	963 000	2 314 000
Local Government Financial Management Grant	1 000 000	839 166
Municipal Service Delivery and Capacity Building Grant	357 328	7 741
Western Cape Financial Management Capability Building Grant	850 000	170 594
Western Cape Financial Management Capacity Building Grant	-	87 073
Rural Road Asset Management Grant (RRAMS)	1 529 599	1 498 624
The Chemical Industries Education and Training Authority	211 540	591 096
Western Cape Municipal Intervention Grant	600 900	100 000
Safety initiative implementation - Whole of Society Approach (WOSA)	329 246	507 219
Local Government Internship Grant	-	75 010
Joint District and Metro Approach Grant	-	499 123
Local Government Sector and Training Authority (LGLDP - 202331655 & 20233368)	-	188 770
Local Government Sector and Training Authority (LGLDP - 20239677)	299 230	103 455
Nedbank Winter Outreach Programme	29 639	-
	<b>45 055 482</b>	<b>44 693 871</b>
<b>Government grants and subsidies - Capital</b>		
Local Government Emergency Load-shedding Relief Grant	-	317 378
Rural Road Asset Management Grant (RRAMS)	298 437	535 949
Local Government Financial Management Grant	-	38 367
Fire Services Capacity Building Grant	430 000	-
Municipal Water Resilience Grant	2 378 876	-
	<b>3 107 313</b>	<b>891 694</b>
<b>Total Government Grants and Subsidies</b>		
Government grants and subsidies - Operating	45 055 482	44 693 871
Government grants and subsidies - Capital	3 107 313	891 694
	<b>48 162 795</b>	<b>45 585 565</b>
<b>Included in above are the following grants and subsidies received:</b>		
Unconditional grants	38 885 000	37 712 000
Conditional grants	9 277 795	7 873 565
	<b>48 162 795</b>	<b>45 585 565</b>
<b>Revenue recognised per vote as required by Section 123 (c) of the MFMA:</b>		
Equitable Share	38 885 000	37 712 000
Executive and Council	1 270 016	4 435 646
Corporate Services	5 169 911	1 946 497
Finance	2 837 868	1 491 421
	<b>48 162 795</b>	<b>45 585 564</b>

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

# Central Karoo District Municipality

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### 17. Government grants and subsidies (continued)

Individual details regarding the nature of each allocation follows:

#### 17.1 Equitable Share:

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

#### 17.2 Expanded Public Works Programme Integrated Grant (EPWP):

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.

#### 17.3 Local Government Financial Management Grant (FMG):

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

#### 17.4 Municipal Service Delivery and Capacity Building Grant:

To strengthen and improve municipal service delivery and capacity building to enable municipalities to manage their own affairs, to exercise their own powers and to perform their functions as prescribed by local government legislation. This grant relates to the funding of the Disaster Management Internship Programme.

#### 17.5 Western Cape Financial Management Capability Building Grant:

The grant is a merger of the Western Cape Financial Management Support Grant and the Western Cape Financial Management Capacity Building grant. The purpose of the grant is to support municipalities to improve their financial management capabilities.

#### 17.6 Western Cape Financial Management Capacity Building Grant:

To develop financial human capacity within the municipal area to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

#### 17.7 Rural Road Asset Management Grant (RRAMS):

To assist district municipalities to set up rural RAMS, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.

#### 17.8 The Chemical Industries Education and Training Authority:

The Primary Objectives of the project shall be the collaboration between the LGSETA and the recipient in the implementation of the NSDS III by improving the effectiveness and efficiency and the skills development through provision of bursaries.

#### 17.9 Western Cape Municipal Intervention Grant:

The purpose of this grant is to fund the Municipal Graduate Internship Programme that is aimed at employing HR graduates. This is envisaged to provide institutional capacity within municipalities, to provide practical experience to graduates in local government, and to influence young people to consider local government sector for their career development.

#### 17.10 Safety initiative implementation - Whole of Society Approach (WOSA):

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.



# Central Karoo District Municipality

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### 17. Government grants and subsidies (continued)

#### 17.11 Local Government Internship Grant:

To provide financial assistance to municipalities in support of capacity building for the future by means of internship programme.

#### 17.12 Joint District and Metro Approach Grant:

To provide financial assistance to district municipalities to implement catalytic projects to improve infrastructure, systems, structures and service delivery.

#### 17.13 Local Government Sector and Training Authority (LGLDP - 202331655 & 20233368):

The purpose of this grant is to provide bursaries to employed learners for training in Construction Plant Operations.

#### 17.14 Local Government Sector and Training Authority (LGLDP - 20239677):

The purpose of this grant is to provide bursaries to employed learners for training in Supply Chain Management.

#### 17.15 Local Government Emergency Load-shedding Relief Grant:

The purpose of this grant is to provide a financial contribution to municipalities towards the purchase and installation of back-up energy supply as an immediate response to the prolonged load-shedding, thereby mitigating the impact on the provision of basic services and potential health risks.

#### 17.16 Fire Services Capacity Building Grant:

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

#### 17.17 Municipal Water Resilience Grant:

A capital commitment is in place for the spending of this grant due to the order of an 18 000 liter water tanker truck by Isuzu Motors South Africa.

#### 17.18 Local Government Public Employment Support Grant:

To coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress, through conditional transfers to local and district municipalities and the Metro in the Western Cape.

#### 17.19 Local Government Sector and Training Authority:

The objective of the project is to identify and train candidates to obtain Chemical Operations skills (Chemical Operations Level 2 and 3 Learner-ships) to meet the requirements initiatives.

#### 17.20 Nedbank Winter Outreach Programme:

These funds are to be used for providing uniforms to school children within the district.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>18. Licence and Permits</b>		
Exchange revenue	18.1 64 180	55 263
<b>18.1 Licenses and permits – Exchange revenue</b>		
Health certificates	64 180	55 263
<b>19. Rental from Fixed Assets</b>		
Property, Plant and Equipment	-	65 859
<b>20. Interests Earned - External Investments</b>		
Bank accounts and call investment deposits	1 475 109	1 704 944
<b>21. Operational revenue</b>		
Exchange revenue	153 957	-
Administrative Handling Fees - secondment revenue	76 187	41 367
Commission	27	3 120
Discounts and Early Settlements	-	984 866
Insurance Refund	-	69 169
Photocopies, telephone, sale of tenders and other	51 778	105 501
LGSETA Admin fee	-	-
<b>Total</b>	<b>281 949</b>	<b>1 204 023</b>
<b>22. Department of Transport - Roads Service Charges</b>		
Service charges	58 356 106	58 880 317
<p>The Municipality has a service level agreement with the Department of Transport Western Cape for rendering of services regarding the roads function within the jurisdiction of the Central Karoo District Municipality. The commission is calculated at a pre-determined rate on the total received from the Department of Transport and Public Works. Refer to note 23.</p> <p>Grap 109 is not applicable as the relationship between the Municipality and the Department of Public Works and Transport of the Western Cape, does not meet the principal agent criteria as determined by the standard.</p>		
<b>23. Straight Service Charge</b>		
Provincial - Department of Infrastructure	6 163 043	6 001 042

The Municipality has a service level agreement with the Department of Transport Western Cape for rendering of services regarding the roads function within the jurisdiction of the Central Karoo District Municipality. The commission is calculated at a pre-determined rate on the total received from the Department of Transport and Public Works.

To align to the accounting treatment for the funding received from the Department of Transport and Public Works with regards to the road maintenance, the prior year naming convention for this funding source was changed from agency services to Straight service charge. Both the prior year and current year naming convention is therefore consistent. This allows the users of the Annual Financial Statements to have a clear understanding of the substance of this funding.

# Central Karoo District Municipality

## Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

<b>24. Employee related costs</b>			
Municipal staff and senior management	24.1	68 741 470	67 927 584
<b>24.1 Municipal staff costs</b>			
Basic salary		48 770 776	48 028 889
Pension, UIF and Medical Aid Contributions		10 731 295	9 709 731
Overtime		2 158 881	2 839 081
Bonuses		3 410 868	3 000 261
Housing allowance		450 732	361 885
Travel, motor car, Accommodation, Subsistence and Other Allowances		2 415 161	2 070 569
Long service awards		95 000	84 000
Leave provision		604 757	1 721 168
Current service costs		104 000	112 000
<b>Total</b>		<b>68 741 470</b>	<b>67 927 584</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### 24. Employee related costs (continued)

##### 24.2 Senior management costs

2025

	Municipal Manager: Mr. MG Nkungwana	Municipal Manager: Mr. MJ Penxa	Chief Financial Officer (Acting and Permanent): Ms. K. Makalima	Director: Corporate Services: Dr. RR Links	Director: Corporate Services (Acting and Permanent): Adv. TB Mea	Director: Socio- Economic Services (Acting and Permanent): Mrs. B. Koopman	Chief Financial Officer: R. Butler	Total
Basic salary	391 014	1 025 339	832 829	42 173	976 810	288 153	128 630	3 684 948
Contributions to UIF, Medical and Pension Funds	40 937	1 416	1 948	177	2 125	85 161	177	131 941
Performance Bonus	-	-	-	123 585	-	-	-	123 585
Motor Vehicle Allowance	-	-	-	-	84 000	58 670	-	142 670
Cell Phone Allowance	6 000	27 000	27 400	-	30 904	15 000	2 500	108 804
Other benefits and allowances	28 317	71 839	58 432	8 295	74 279	56 434	6 852	304 448
	466 268	1 125 594	920 609	174 230	1 168 118	503 418	138 159	4 496 396

**Central Karoo District Municipality**  
Annual Financial Statements for the year ended 30 June 2025

**Notes to the Annual Financial Statements**

Figures in Rand thousand

**24. Employee related costs (continued)**

2024

	Municipal manager: Dr. SW Vatala	Municipal Manager (Acting): Mr. A. Makendiana	Municipal Manager (Acting and Permanent): Mr. M. Nkungwana	Chief Financial Officer (Acting): Mr. R. Butler	Chief Financial Officer (Acting): Mr. Nhlengethwa	Director - Corporate Services: Dr. RR Links	Director - Corporate Services (Acting): Adv TB Mea	Total
Basic salary	-	-	1 212 890	545 784	156 372	669 785	285 429	2 870 260
Contributions to UIF, Medical and Pension Funds	-	354	61 155	74 870	783	1 902	531	139 595
Performance Bonus	74 424	-	-	-	-	-	-	74 424
Motor Vehicle Allowance	-	-	-	60 000	14 000	180 000	21 000	275 000
Cell Phone Allowance	-	-	33 000	20 000	5 480	22 500	7 500	88 480
Other benefits and allowances	-	39 562	87 264	44 245	14 116	54 691	19 661	259 539
Payments in lieu of leave	-	-	-	-	40 215	13 482	-	53 697
	<b>74 424</b>	<b>39 916</b>	<b>1 394 309</b>	<b>744 899</b>	<b>230 966</b>	<b>942 360</b>	<b>334 121</b>	<b>3 760 995</b>

The Remuneration of Executives as disclosed above refer to the actual amounts paid to them during the 2025 and 2024 years respectively.

Where other officials acted in the Executive Director positions and was remunerated accordingly, only the additional remuneration for acting in that position is disclosed.

**25. Remuneration of Councillors**

Executive Mayor/Mayor	25.1	693 472	647 651
Deputy executive mayor	25.3	747 718	750 884
Speaker	25.2	821 446	783 308
Executive committee	25.4	1 731 866	1 606 761
Section 79 committee chairperson		476 072	132 469
All other councillors and Section 79 committee chairperson	25.5	1 169 616	1 053 894
<b>Total</b>		<b>5 640 190</b>	<b>4 974 967</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>25. Remuneration of Councillors (continued)</b>		
<b>25.1 Executive Mayor/Mayor</b>		
Allowances and service related benefits		
Basic salary	693 472	647 651
<b>25.2 Speaker</b>		
Allowances and service related benefits		
Office-bearer allowance	821 446	783 308
<b>25.3 Deputy executive mayor</b>		
Allowances and service related benefits		
Office-bearer allowance	747 718	750 884
<b>25.4 Executive committee</b>		
Allowances and service related benefits		
Office-bearer allowance	1 731 866	1 608 864
<b>25.5 All other councillors and Section 79 committee chairperson</b>		
Allowances and service related benefits		
Office-bearer allowance	1 645 688	1 184 260
The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.		
<b>26. Contracted Services</b>		
Contracted services	7 096 773	10 887 401
<b>27. Depreciation and Amortisation</b>		
Amortisation		
Intangible assets	4.1 14 728	14 190
Depreciation		
Property, Plant and Equipment	1 010 325	774 902
<b>Total</b>	<b>1 025 053</b>	<b>789 092</b>



## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand		2025	2024
<b>28. Finance Costs</b>			
<b>28.1 Interest cost</b>			
Finance leases		-	2 633
Post-Employment Medical Aid Benefits	11	672 000	739 000
Long service awards		89 000	89 000
Overdue accounts	12.1	27 870	12 110

The amounts above accumulate to a total Interest cost of R 788,870 (2024: R 842,743).

The disclosure of the prior year figures for employment benefits have been adjusted to separately include the finance costs related to the Post-Employment Medical Aid Benefit and the Long Service Awards.

An amount of R 658,000 (2024: R 616,000) relating to the Post-Retirement Medical Aid Benefit obligation has been reallocated to employee related costs for the Roads function, as these costs have not yet been claimed in terms of the Memorandum of Agreement.

An amount of R 192,000 (2024: R 195,000) relating to the Long Service Award obligation has been reallocated to employee related costs for the Roads function, as these costs have not yet been claimed in terms of the Memorandum of Agreement.

### 29. Transfers and subsidies

<b>Operational</b>			
Monetary allocations and allocations in-kind		233 546	1 199 265
Bursaries and study assistance provided		-	433 739
Monetary allocations to other organisations		-	54 976
Monetary allocations to B Municipalities		111 708	670 000
Allocations in-kind to B Municipalities		121 838	40 550
<b>Transfers and Subsidies - allocations</b>			
		233 546	1 199 265

### 30. Operational Costs

Advertising, Publicity and Marketing	149 372	201 941
Administration costs - Roads	446	-
Audit Fees	3 103 078	3 085 391
Bank Charges, Facility and Card Fees	33 812	25 939
Bursaries (Employees)	322 844	224 155
Communication	244 751	565 890
Courier and Delivery Services	30 790	76 573
External Computer Service	3 789 901	3 168 347
Insurance Underwriting	707 868	590 066
Municipal Services	1 373 024	1 399 926
Printing, Publications and Books	4 585	232 707
Professional Bodies, Membership and Subscription	716 162	580 161
Registration Fees	9 584	11 419
Skills Development Fund Levy	580 185	567 737
Sundry Projects	1 263 683	718 384
Travel and Subsistence	4 343 408	3 347 710
Uniform and Protective Clothing	20 787	476 459
Vehicle licences	8 647	37 182
Workmen's Compensation Fund	394 631	343 990
<b>Total</b>	<b>17 097 558</b>	<b>15 653 977</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>31. Loss on disposal of assets and liabilities</b>		
Impairment loss / Reversal of impairment Property, Plant and Equipment	-	945
<b>32. Actuarial Gain/(Loss)</b>		
Fair value adjustment	486 087	985 922
<b>33. Net cash from/(used) operating activities</b>		
Deficit for the year	(81 742)	(1 863 609)
<b>Adjustments for:</b>		
Depreciation and amortisation	1 025 053	789 451
Fair value adjustment	-	(985 922)
Finance cost	-	(436 399)
Increase / (Decrease) in current employee benefits	523 969	683 532
Impairment loss	-	944
Movement in non-current employee benefit	362 000	713 758
Contribution from/to non-current employee benefits	234 298	1 093 922
Net movement in government grants and subsidies	-	1 863 010
Reversal on Inventory NRV	-	35 275
Contributed assets	-	(879 152)
<b>Movement in working capital</b>		
(Increase) / Decrease in receivables from non-exchange transactions	(285 152)	615 152
(Increase) / Decrease in inventory	193 386	(49 570)
(Increase) / Decrease in receivables from exchange transactions	(4 271 805)	(437 500)
(Increase) / Decrease in provisions	(683 532)	-
(Increase) / Decrease in long term receivables (current portion)	(84 299)	(39 601)
(Increase) / Decrease in taxes	-	831 110
Increase / (Decrease) in trade and other payables	964 293	706 296
Increase / (Decrease) in unspent conditional grants and receipts	(1 739 121)	-
Increase / (Decrease) in other current liabilities	-	(1 500)
<b>Net cash flows from operating activities</b>	<b>(3 842 652)</b>	<b>2 639 197</b>
<b>34. Capital commitments</b>		
Commitments in respect of capital expenditure:		
<b>Approved and contracted for:</b>		
The supply of an 18 000 litre water tanker truck by Isuzu Motors South Africa	-	2 378 876

Capital commitments for the 2023/2024 financial year were financed by Government Grants.

Capital commitments are disclosed inclusive of VAT.

### 35. Budget information

**Explanation of variances between approved and final budget amounts**

Explanation of variances greater than 10%: Final Budget and Actual Amounts:

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 35. Budget information (continued)

#### 35.1. Statement of financial performance

##### Revenue from exchange transactions

35.1.1 Sale of goods and rendering of services (per budget)/Operational Revenue: The variance is due to secondment revenue not being budgeted for.

35.1.2 Straight service charge: The under recovery reflected is as a result of the VAT portion that is included in the budget but the actual excluded the VAT portion.

35.1.3 Interest earned - external investments: There were delays in the revenue collection for Roads service charges which resulted in less funds being invested than what was budgeted for.

35.1.4.1 Rental from fixed assets: The municipality did not have any properties subject to a rental agreement during the financial year as was budgeted for.

35.1.4.2 Licences and Permits: There was an increase in permits and licences issued due to more inspections being performed, especially in spaza shop.

35.1.4.3 Inventories - Write down to NRV: The amount was not budgeted for as this cannot be reliably estimated.

35.1.5 Department of Transport - Service Charges: The variance is due to corrections made to the revenue line item in the Annual Financial Statements in order to correctly disclose the DOT Service Charges net of the Straight Service Charges, whereas the budget line item comprises the full revenue receivable.

##### Revenue from non-exchange transactions

35.1.6 Transfers and subsidies (Operational and Capital): The budget and actual results for the line item comprises both the Capital and Operational allocations. The variance is due to the under-realisation of revenue relating to conditional grants attributable to slow spending on projects as well as funds received as late allocations during the financial year.

35.1.7 Actuarial gains: Actuarial gains are not budgeted for as it cannot be reliably estimated due to fluctuations in the actual results which is dependent on the outcome of the annual actuarial valuation of the non-current employee benefit obligation.

##### Expenditure

35.1.8 Employee related costs: The variance is less than 10% and considered immaterial.

35.1.9 Remuneration of Councillors: The variance is less than 10% and considered immaterial.

35.1.10 Inventory consumed: The variance is less than 10% and considered immaterial.

35.1.11 Depreciation and amortisation: The variance is due to an underestimation of the budget based on prior year actual results and not having taken planned acquisitions into account.

35.1.12 Finance charges: The variance is a result of the results of the annual actuarial valuation not being taken into account during the budgeting process. The amount budgeted for, only comprises the portion relating to possible interest on late payment of suppliers.

35.1.13 Contracted services: The variance is due to a saving on costs relating to the use of consultants during the AFS preparation process, as this appointment was taken into account during the budgeting process.

35.1.14 Transfers and subsidies: The variance is due to more allocations received than anticipated by the district municipality for providing monetary assistance to B-Municipalities.

35.1.15 Operational costs: The variance is due to corrections made to the expenditure line item in the Annual Financial Statements relating to Administration costs - Roads. This line item was created to set off the Department of Transport - service charges amount, which included the Straight Service Charge as a separate line item.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 35. Budget information (continued)

#### 35.2. Statement of financial position

##### Current assets

35.2.1 Cash and Cash Equivalents - the variance is due to cash flow challenges experienced towards the end of the financial year.

35.2.2 Trade and other receivables from exchange transactions - this line item in the budget relates to receivables from non-exchange transactions as is disclosed in the Annual Financial Statements. The variance is due to the under-recovery of amounts receivable from sundry debtors.

35.2.3 Current portion of non-current receivable - the variance is due to the budgeted amount not being reliably estimated as the actual result is dependent on the outcome of the actuarial valuation for the Employee benefit obligation.

35.2.4 Inventory - the variance is not considered to be material.

35.2.5 VAT - the budgeting process took into account the projected receivable at financial year end, however the Annual Financial Statements have been adjusted to correct the disclosure of the VAT input accrual as well as the VAT Receivable as part of Receivables from exchange transactions.

35.2.6 Other current assets: this line item in the budget relates to receivables from exchange transactions in the Annual Financial Statements. The variance is due to a re-evaluation of the outstanding balance which should have been accounted for as receivable from the Department of Transport for the Roads function.

##### Non-current assets

35.2.7 Property, plant and equipment - The variance is due to the adjustment which was done during the budget adjustment process and the anticipated acquisition of additional transport assets. This acquisition could not take place prior to the end of the financial year due to difficulties experienced in the SCM bid processes.

35.2.8 Intangible Assets - The variance is due to an over-estimation of software acquisitions during the budgeting process.

35.2.9 Non-current receivables from non-exchange transactions - The variance is less than 10% and considered immaterial.

##### Current liabilities

35.2.10 Financial liabilities: The variance is due to the anticipation that the municipality was going to enter into finance lease agreements during the financial year, however, this did not occur.

35.2.11 Consumer deposits: The budgeting process incorrectly took into account this line item, based on previous years actual results.

35.2.12 Trade and other payables from exchange transactions: the variance is due the adjustment processed against the original budget being misaligned on a financial system level. The municipality is in the process of revising and refining the budgeting process as far as the Statement of Financial Position is concerned for the periods going forward.

35.2.13 Unspent Transfers and Subsidies: the variance is due to the budgeting process taking into account the prior year unspent balance as a basis for the budgeted amount, however the municipality realised more revenue against the grant funding than anticipated.

35.2.14 Provision: This line item in the budget, takes into account the current employee benefits as disclosed in the Annual Financial Statements and the actual results have been aligned accordingly. The variance is due to the variable calculation of the leave provision as well as the current portion of the employee benefit obligation being dependent on the results of the actuarial valuation at financial year end.

35.2.15 VAT: the variance is due the adjustment processed against the original budget being misaligned on a financial system level. The municipality is in the process of revising and refining the budgeting process as far as the Statement of Financial Position is concerned for the periods going forward.

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

#### 35. Budget information (continued)

35.2.16 Other current liabilities - This line item in the budget, takes into account the provisions (litigations) as disclosed in the Annual Financial Statements and the actual results have been aligned accordingly. The variance is due to the settlement of outstanding legal fees during the financial year.

#### Non-Current Liabilities

35.2.17 Provision: This line item in the budget, together with the item of the for Other non-current liabilities, refers to the post retirement benefit obligation and the actual results have been included in the line item for the latter and the variance is due to a result thereof. The municipality will revise the budgeting process going forward in order to combine the line items.

35.2.18 Non-current liabilities - This line item in the budget, together with the item of the for Provisions per 35.2.17 above, refers to the post retirement benefit obligation and the actual results have been included in the line item for the latter and the variance is due to a result thereof. The municipality will revise the budgeting process going forward in order to combine the line items.

35.2.19 Equity: Accumulated surplus - This variance is due to corrections being processed during the current financial year in order to correctly account for Receivables from Exchange Transactions and Income Received in advance related to the Roads function.

#### 36.3 Cash Flow Statement

35.3.1 Other revenue - This line item refers to all operational receipts line items not separately disclosed below. This is dependant on the movements in the receivables balances and adjustments/corrections have been made.

35.3.2 Transfers and subsidies - operational - The variance is due to the under-realisation of revenue relating to conditional grants attributable to slow spending on projects as well as funds received as late allocations during the financial year.

35.3.3 Transfers and subsidies - capital - The variance is due to the under-realisation of revenue relating to conditional grants attributable to slow spending on projects as well as funds received as late allocations during the financial year as well as a misalignment in the budgeting process, where the actual capital projections were not taken into account.

35.3.4 Interest - There were delays in the revenue collection for Roads service charges which resulted in less funds being invested than what was budgeted for.

35.3.5 Suppliers and employees - This variance is mainly attributable to adjustments/ corrections made to the line items for operating expenditure and trade and other payables from exchange transactions.

35.3.6 Finance charges: The variance is a result of the results of the annual actuarial valuation not being taken into account during the budgeting process. The amount budgeted for, only comprises the portion relating to possible interest on late payment of suppliers.

35.3.7 Transfers and subsidies - The variance is due to more allocations received than anticipated by the district municipality for providing monetary assistance to B-Municipalities.

35.3.8 Capital assets - The variance is due to the anticipated acquisition of additional transport assets, however this did not take place prior to the end of the financial year due to difficulties experienced in the SCM bid processes.

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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#### 36. Unauthorised, irregular, fruitless and wasteful expenditure

##### 36.1 Unauthorised expenditure

Opening balance as previously reported	6 758 719	10 040 667
Add: Unauthorised expenditure – operational	221 189	5 871 280
Add: Unauthorised expenditure – capital	-	887 439
Less: Amounts approved/condoned/authorised by Council – prior period (operational)	(5 871 280)	(10 040 667)
Less: Amounts approved/condoned/authorised by Council – prior period (capital)	(887 439)	-
Closing balance	221 189	6 758 719

##### 36.2 Irregular expenditure

Opening balance as previously reported	7 340 202	20 675 781
Add: Irregular expenditure - current	6 660 323	3 516 520
Less: Amounts written-off – current	(4 460 682)	-
Less: Amounts written off by Council – prior period	(5 793 869)	(16 852 099)
Closing balance	3 745 974	7 340 202

Recoverability, condonement and disciplinary steps of all other irregular expenditure will be evaluated by Council in terms of section 32 of the MFMA.

##### 36.3 Fruitless and wasteful expenditure

Opening balance as previously reported	12 111	13 006
Add: Fruitless and wasteful expenditure – current	2 271	17 438
Less: Amount recoverable – current - transferred to receivables	-	(5 327)
Less: Amounts approved/condoned/authorised by Council – prior period	(13 923)	(13 006)
Closing balance	459	12 111

#### 37. Additional disclosure in terms of Municipal Finance Management Act

##### SALGA Contributions

Opening balance	-	-
Current year subscription / fee	687 934	572 912
Amount paid - current year	(687 934)	(572 912)
Balance unpaid (included in creditors)	-	-



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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

#### Audit fees

Opening balance	-	-
Current year subscription / fee	3 410 600	3 085 390
Amount paid - current year	(3 410 600)	(3 085 390)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

#### PAYE, UIF and SDL

Opening balance	-	-
Current year payroll deductions	11 765 319	10 738 732
Amount paid - current year	(11 765 319)	(10 738 732)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

#### Pension and medical aid deductions

Opening balance	-	-
Current year payroll deductions and Council contributions	13 828 642	13 104 540
Amount paid - current year	(13 828 642)	(13 104 540)
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

#### Value Added Tax

VAT receivable (net)	533 175	588 469
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VAT input receivables are shown in note 7.

VAT output payables are shown in note 12.

All VAT returns have been submitted by the due date throughout the year.

#### Councillors' arrear consumer accounts

	2025		2024	
	Outstanding more than 90 days	Total	Outstanding more than 90 days	Total
Councillor J Bostander	46 714	46 714	46 714	46 714
Councillor M Furman	22 552	22 552	22 522	22 522
Councillor EZ Njadu	41 192	41 192	41 192	41 192
Councillor M Daniels	737	737	737	737
Councillor J Jonas	4 515	4 515	4 515	4 515
Councillor GP Adolph	1 511	1 511	2 511	2 511
Councillor JP de Bruyn	8 332	8 332	8 332	8 332
Councillor JD van der Linde	-	-	639	639
Councillor SD Koonthea	-	-	635	635
Councillor AJ MacKay	-	-	123 457	123 457
<b>Total</b>	<b>125 553</b>	<b>125 553</b>	<b>251 254</b>	<b>251 254</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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#### 38. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

Nature and value of deviations from SCM Regulations granted during the reporting year:

Accommodation	45 800	-
Advertising	6 831	37 674
Catering	3 375	54 976
Courier fees	56 126	99 850
Inventory consumed (fuel and oxygen products)	3 943 828	6 158 414
Insurance	137 553	-
Legal fees	1 703 833	3 238 055
System support and training	393 412	238 516
Community support/projects	21 793	-
Security services	179 449	345 912
Subscriptions and memberships	49 000	26 700
Repairs and Maintenance	2 132 526	2 194 320
Capital expenditure	-	317 378
Consulting fees	394 954	45 233
<b>Total amount approved by the accounting officer and noted by council</b>	<b>9 068 480</b>	<b>12 757 028</b>

The disclosure per the note 39 has been amended to include a breakdown of the nature and related value of the deviations. The prior year figures have therefore been amended to include this breakdown.

#### Deviation from, and ratification of minor breaches of, the procurement processes

SGM paragraph	Disciplinary steps/criminal proceedings		
revenue			
36 (1)(a) i	Dispense with the official procurement processes in an emergency	-	277 353
36 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	1 630 815	2 051 763
36 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	7 437 663	10 427 912
<b>Total deviations</b>		<b>9 068 478</b>	<b>12 757 028</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

#### 39. Awards to close family members - SCM Regulation 45

##### 30 June 2025 - Awards to close family members of persons in the service of state

Heading	Related Person	Service Capacity	Relationship	State Department	Amount of Award	Total
Admiror Trading	Mrs R Jonker	Occupational Therapist	Spouse	Department of Health - Beaufort West Hospital	17 973	17 973
Ann's Deli and Projects	Mr. A. Stoffels	Caretaker	Spouse	Department of Education	5 395	5 395
RWS Cleaning Services and Maintenance	Mr. N. Summers	Clerk: Records	Son	Central Karoo District Municipality	143 513	143 513
Pleenaar Brothers	Mr. J. Bothma	Chief Technician: Engineering	Nephew	Central Karoo District Municipality	81 898	81 898
IT Brilliance	Mrs. K. Bekker	Warrant Officer	Spouse	SAPD Detective Services - Oudtshoorn	14 243	14 243
TNK Attorneys	Mrs. P. Jako	Admin Clerk (Clerk of the Court)	Spouse	Department of Justice	1 739 262	1 739 262
Mcleod Pest Control	Mrs. R. Mcleod	Professional Nurse	Spouse	Department of Health - Beaufort West Hospital	3 000	3 000
Adapt IT (Pty) Ltd	Mr. D.M.S. Mbambo	Operation and Maintenance Manager	Spouse	Sanral	267 300	267 300
Ilanja Sweiswerke t/a B en B Sweiswerke	Mr. A.C. Du Plessis	Teacher	Spouse	Department of Education	68 347	68 347
Ian Dickie	Mr. D. Samuels	Warrant Officer	Son	South African Police Service	52 474	52 474
Van De Wall Inc	Mrs. J.M. Cronje	SARS Tax Consultant	Spouse	South African Revenue Service	249 309	249 309
Nedbank Limited	Mrs Venisha Subramoney	Teacher	Spouse	Department of Education (I.E.A National Department)	33 812	33 812
					<b>2 676 526</b>	<b>2 676 526</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand 2025 2024

#### 39. Awards to close family members - SCM Regulation 45 (continued)

##### 30 June 2024 - Awards to close family members of persons in the service of other state

Company name	Related person	Service Capacity	Relationship	State Department	Amount	Total
Admiror Trading	Mr. D. Jonker	Occupational Therapist	Spouse	Beaufort West Hospital	33 631	33 631
Beaufort West Luxury Coaches	Mrs. B. Johnson	Traffic Officer	Daughter-in-law	Provincial Traffic Department	3 500	3 500
Ann's Deli and Projects	Mr. A. Stoffels	General Worker	Spouse	Western Cape Education Department	8 350	8 350
Mcleod Pest Control	Mrs. R. Mcleod	Professional Nurse	Spouse	Beaufort West Hospital	12 500	12 500
Magrietha Heilbreght Jacobs	Mrs. H. Jacobs	Legal Services	Daughter-in-law	Central Karoo District Municipality	3 521	3 521
Ilanja Sweiswerke t/a B en B Sweiswerke	Mr. A.C. Du Plessis	Teacher	Son	Western Cape Education Department	85 533	85 533
Avril Johnson	Ms. M.I. Johnson	Social Worker	Daughter	Social Development Department	38 600	38 600
Inzalo Sebata Municipal Solutions	Mrs. N.T. Mazibuko	National Archivist	Spouse	Department of Arts and Culture	2 608 229	2 608 229
Van De Wall Inc.	Mrs. J.M. Cronje	SARS Tax Consultant	Spouse	South African Revenue Services	160 515	160 515
					<b>2 954 379</b>	<b>2 954 379</b>

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 40. Financial instruments and Financial Risk Management

#### 40.1 Classification of financial instruments at amortised cost

In accordance with GRAP 104.45 the financial liabilities and assets of the Municipality together with the carrying amounts shown in the Statement of Financial Position, are classified as follows:

		2025		2024	
		Carrying amount	At amortised cost	Carrying amount	At amortised cost
<b>Financial assets</b>					
<b>Amortised cost</b>					
Trade and other receivables from exchange transactions	7	17 179 360	17 179 360	12 852 261	12 852 261
Receivables from non-exchange transactions	5&8	780 492	780 492	495 340	495 340
Cash and cash equivalents	9	5 180 977	5 180 977	12 686 824	12 686 824
		<b>23 140 829</b>	<b>23 140 829</b>	<b>26 034 425</b>	<b>26 034 425</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
<b>Trade and other payables:</b>					
Trade and other payables from exchange transactions	12	3 597 974	3 597 974	1 835 800	1 835 800
Unspent transfers and subsidies	13	3 628 720	3 628 720	5 367 841	5 367 841
		<b>7 226 694</b>	<b>7 226 694</b>	<b>7 203 641</b>	<b>7 203 641</b>
<b>Total financial instruments</b>		<b>15 914 135</b>	<b>15 914 135</b>	<b>18 830 784</b>	<b>18 830 784</b>

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

#### 40.2 Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

#### 40.3 Price risk

The municipality is not exposed to price risk.

#### 40.4 Interest rate risk

As the municipality has no significant interest-bearing liabilities, the entity's income and operating cash flows are substantially independent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 40. Financial instruments and Financial Risk Management (continued)

The following was taken into consideration when determining the interest rate risk:

- Cash and Cash Equivalents

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

0.25% (2024: 0.25%) Increase in interest rates	12 952	31 714
0.25% (2024: 1%) Decrease in interest rates	(12 952)	(126 854)
	-	-

### 40.5 Credit risk management

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

The municipality only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Unspent government grants have to be cash-backed and as a result R 3,628,720 are pledged as security for financial liabilities.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting.

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

Receivables from non-exchange transactions	5	780 492	495 340
Receivables from exchange transactions	7	17 179 360	12 852 261
Cash and cash equivalents	9	5 180 977	12 686 824
		<b>23 140 829</b>	<b>26 034 425</b>

### 40.6 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through proper budgeting.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's 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.



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 40. Financial instruments and Financial Risk Management (continued)

30 June 2025

Within 1 year

#### Maturity analysis

Trade and Other Payables from Exchange Transactions  
Unspent conditional grants and subsidies

3 597 974

3 628 720

7 226 694

30 June 2024

Within 1 year

#### Maturity analysis

Trade and Other Payables from Exchange Transactions  
Unspent conditional grants and subsidies

1 835 800

5 367 842

7 203 642

### 41. Statutory receivables

In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:

#### Taxes

Vat Receivable (net)

156 452

93 851

### 42. In-Kind Donations and Assistance

The municipality did not receive any in-kind donations or assistance during the year under review.

### 43. Private Public Partnerships

Council has not entered into any private public partnerships during the financial year.

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>44. Contingent liabilities</b>		
CKDM//DEPARTMENT OF TRANSPORT AND PUBLIC WORKS - WESTERN CAPE GOVERNMENT Case no: 577/21 PA 190 368 - 16 August 2018 Damage to yellow fleet vehicle in year	12 637	12 637
CKDM // CAPX INVOICE DISCOUNTING (PTY) LTD HIGH COURT CASE NO: 6615/2017 CKDM has been summonsed by the Plaintiff for payment of the amount of R 2 000 000, alternatively R 1 000 000.	-	2 000 000
As at 30 June 2025, it was assessed that the matter is unlikely to continue.		
CKDM & AFRICA CREEK // ENTREPRENEURIAL BUSINESS SCHOOL (PTY) LTD / CB WILLIAMS TRAINING CC / BRIGHT IDEA PROJECTS 447 (PTY) LTD HIGH COURT CASE NO: 1723/2018 The Plaintiff's cause of action against CKDM also relates to the LGSETA project, where Africa Creek was appointed as implementing agent and Africa Creek failed to pay the three Plaintiffs (Training Providers), monies which was due to the Plaintiff.	-	-
FINANCIAL PERFORMANCE GUARANTEES FOR THE REHABILITATION OF LAND DISTURBED BY PROSPECT MINING IN TERMS OF THE EXECUTION OF ENVIRONMENTAL MANAGEMENT PLAN/PROGRAMME On 12 September 2012 the municipality entered into 16 financial performance guarantees with the Department of Mineral Resources amounting to R1 301 980 relating to the future rehabilitation of burrow pits. No movement on any of the guarantees have taken place since 2012 and there is no expectation that it will be taken up in the foreseeable future.	1 301 980	1 301 980
CKDM // AFRICA CREEK HIGH COURT CASE NO: 21067/2019 In this matter the Central Karoo District Municipality received a Summons for the amount of R 2,595 750.00.	-	2 595 750
As at 30 June 2025, it was assessed that the matter is unlikely to continue.		
CASE NO: WPC022306 CLAIMANT - MOEGAMAT RIDWAN ABDULLAH Arbitration proceedings based on an alleged unfair labour practice (unfair dismissal) was instituted by the former Chief Financial Officer who was dismissed for misconduct - has commenced against CKDM.	450 000	450 000
MNYAMEZELI JACKSON PENXA // CKDM & 5 OTHERS The applicant brought an urgent application to set aside the appointment of the 4th Respondent as the Municipality Manager.	-	250 000
As at 30 June 2025, it was assessed that the matter is unlikely to continue.		

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>44. Contingent liabilities (continued)</b>		
MEC OF LOCAL GOVERNMENT WESTERN CAPE & 2 OTHERS // CKDM & 4 OTHERS	100 000	100 000
<p>The applicants re-enrolled the matter on an urgent basis to compel the 1st to 5th respondent to comply with investigations and to disclose certain documents. We have proceeded to court carrying a watching brief that the MEC does not take order against the Municipality.</p> <p>The financial exposure is unknown for the Central Karoo District Municipality, but could amount to R100 000.</p>		
CKDM // SARS VAT TREATMENT REGARDING DEPARTMENT OF TRANSPORT AND PUBLIC WORKS	10 069 718	-
<p><b>Contingent liability – Value-Added Tax (VAT) exposure</b></p> <p>The municipality does not levy input or pay output Value Added Tax (VAT) to the South African Revenue Service (SARS) for services rendered to/for the Department of Transport and Public Works related to the maintenance of roads in the district area.</p> <p>During the audit of the 2023/2024 financial year, this method of treatment was questioned by the Auditor General of South Africa, resulting in the Municipality subsequently requesting a VAT ruling from SARS. A letter of correspondence was received from the South African Revenue Service dated 15 August 2024, in which SARS states that our application for a VAT ruling cannot be accepted, based on the criteria set forth under the Tax Administration Act 28 of 2011 (the TA Act).</p> <p>The municipality has estimated a potential VAT exposure of R10,069,718 relating to the VAT treatment of funding received from the Provincial Department of Infrastructure for the roads function currently performed by the municipality. The estimate has been determined with reference to the applicable VAT legislation, relevant constitutional and legislative provisions, and guidance such as Binding General Ruling 74 issued by the South African Revenue Service (SARS), where applicable. In assessing the contingent liability, management considered available internal analyses, the outcome of consultations with external advisors and legal counsel, correspondence and engagements with the Auditor General of South Africa and SARS, and an assessment of the retrospective periods potentially affected. The disclosure reflects management's best assessment of the potential obligation at reporting date, based on the information available.</p> <p>In terms of GRAP 19.101(b), the municipality must also disclose the uncertainties that may affect the amount or timing of any potential outflow of resources arising from this contingent liability. The ultimate VAT position remains uncertain due to a number of factors, including:</p> <ul style="list-style-type: none"> <li>-a pending High Court process relating to the VAT treatment of the funding received for the roads function</li> <li>-the outcome of any further rulings or clarifications that may be issued by SARS;</li> <li>-the interpretation and application of Binding General Ruling 74 and other relevant guidance;</li> <li>-constitutional and legislative considerations relating to the allocation and assignment of functions between spheres of government and;</li> <li>-a SARS audit of the municipality's VAT affairs is ongoing at the reporting date.</li> </ul> <p>These matters may result in a change in the amount and/or timing of any potential outflow of resources. At the date of approval of these annual financial statements, no final determination has been made by SARS or the courts, and it is therefore not possible to determine the exact financial impact with certainty.</p>		

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
<b>44. Contingent liabilities (continued)</b>		
MNYAMEZELI JACKSON PENXA // CKDM & 5 OTHERS	320 000	-
An appeal was brought to full court of the Western cape Division involving MG Nkungwana (Appellant) and CKDM/Penxa regarding the appointment of the municipal manager. The case was set down for hearing on 25 August 2025. The appeal stands to be dismissed and CKDM is likely to get judgement in the municipality's favour with costs.		
 MEC FOR LOCAL GOVERNMENT // CKDM	200 000	-
The MEC instituted review proceedings to set aside the decision of the district municipality to appoint the current municipal manager on the ground that the latter does not meet the minimum requirements. The review application stands to be dismissed with costs on the grounds that the high court has on another case pronounced on the suitability of the current municipal manager and that the minister failed to take steps within the stipulated time frame.	-	-
 MNYAMEZELI JACKSON PENXA // CKDM & 5 OTHERS	200 000	-
A review application was brought by MG Nkungwana against CKDM/Penxa, wherein the applicant seeks to have the decision to appoint the current municipal manager set aside and get himself re-instated as municipal manager. This review is still pending before the High Court and stands to be dismissed with costs in favour of CKDM.	-	-
 MNYAMEZELI JACKSON PENXA // CKDM & 5 OTHERS	200 000	-
A labour case was instituted at the Gqeberha Labour Court by MG Nkungwana against CKDM for compensation on the grounds that his employment contract was unfairly terminated by the district municipality. The application stands to fail as MG Nkungwana was not lawfully appointed from the outset as he did not meet the minimum requirements for appointment as municipal manager.	-	-
	<b>12 854 335</b>	<b>6 710 367</b>

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

#### 45. Contingent assets

##### 2024: Guardrisk:

On Monday 6 November 2023, Guardrisk took a decision to honour the insurance claim on the Fire truck, with the proviso that CDKM settle an invoice for the insurance premiums owed regarding the truck. This was conveyed to the municipality via email correspondence.

We are however unsure of the amount of legal fees to be recouped, due to the fact that the Bill of Costs in respect of fees and disbursements due is still required to be taxed by the Taxing Master of the High Court.

The Acceptance of loss letter received was dated at 28 March 2024, where the net settlement amount of R1 038 897.60 was indicated as being payable to the municipality. Payment was received on 12 April 2024.

The matter has been settled and no further obligations exist in favour of the municipality as at 30 June 2025.

##### 2024: Member of the Executive Council for Local Government, Environmental Affairs and Development Planning Western Cape Province & 2 Others// CKDM & 5 Others CASE NR. 4567/24:

Non-compliance with the requests of the forensic auditors (2nd and 3rd applicants) appointed by the First applicant in an official investigation in terms of Section 106 of the Municipal Systems Act. We won the court case, with costs on 26/04/2024.

The cost account entered by our attorneys amounted to R419 923.94.

We are however unsure of the amount of legal fees to be recouped, due to the fact that the Bill of Costs in respect of fees and disbursements due is still required to be taxed by the Taxing Master of the High Court.

The matter remains ongoing as at 30 June 2025.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 46. Related party disclosures

#### 46.1 Nature of related party relationships

Related party relationships

Councillors and Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

#### 46.2 Related party balances

##### Current employee benefits

##### Staff Leave Obligations

Municipal Manager	71 355	34 742
Chief Financial Officer	32 826	-
Director: Corporate Services	12 439	-
Director: Socio-Economic Services	26 510	-
	<b>143 130</b>	<b>34 742</b>

##### Performance Bonus Obligations

Municipal Manager	140 014	-
Chief Financial Officer	70 556	-
Director: Corporate Services	70 556	245 777
Director: Socio-Economic Services	70 556	-
	<b>351 682</b>	<b>245 777</b>

##### Travel and Subsistence Paid

Municipal Manager	125 283	196 901
Chief Financial Officer	28 025	14 833
Director: Corporate Services	23 291	103 063
Director: Socio-Economic Services	32 461	-
	<b>209 060</b>	<b>314 797</b>

##### Compensation of key management personnel

The compensation of key management personnel is set out in note 24 of the Annual Financial Statements.

##### Councillor's arrear accounts - MFMA 124 (1)(b)

The following Councillors had arrear accounts for more than 90 days:

Councillor J Bostander	46 714	46 714
Councillor M Furman	22 552	22 552
Councillor EZ Njadu	41 192	41 192
Councillor M Daniels	737	737
Councillor J Jonas	4 515	4 515
Councillor GP Adolph	1 511	2 511
Councillor JP de Bruyn	8 332	8 332
Councillor JD van der Linde	-	639
Councillor SD Koonthea	-	635
Councillor AJ MacKay	-	123 457
	<b>125 553</b>	<b>251 284</b>



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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### 46. Related party disclosures (continued)

Amounts included in Receivables from non-exchange transactions consist out of outstanding monies to be recovered from Councillors and previous Mayors due to upper limit changes and travel and lodging claimed, but not spent.

The remuneration of Councillors is set out in note 25 of the Annual Financial Statements.

There were no purchases made during the year where Councillors and Senior Management had an interest.

### 47. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus (deficit) of 5 829 570 and that the municipality's total assets exceed its liabilities by 5 829 570.

These annual financial statements have been prepared on the going concern basis. We however wish to draw attention to the discontinuation of the Roads function at 31 March 2026. The revenue earned from this function is significant to the Municipality's operations.

The Municipality has an approved and funded budget for the 2025/2026 financial year, and management is satisfied that the municipality will be able to continue operating as a going concern for at least 12 months after the reporting date.

However, the withdrawal of the Roads function will reduce the Municipality's revenue base from the 2026/2027 financial year onwards and creates uncertainty regarding financial sustainability beyond 30 June 2026. This will also lead to the total staff complement of the Municipality being reduced to +/- 60 employees.

Management is actively exploring alternative revenue-generating opportunities and implementing cost-containment as well as financial sustainability measures to mitigate the impact, including the following:

- an active engagement with the Department of Local Government for the purposes of rolling out the Shared Services model of service delivery in which the district municipality will play a leading role in providing a bulk of the services for which income will be generated;
- the exploration of the provision of other services that are currently functions of the B-municipalities; and
- from a cost containment perspective, the municipal council has resolved to withdraw from further participation in certain legal matters in order to avoid further legal costs.

### 48. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the Broad-Based Black Economic Empowerment Act (B-BBEE) is included in the Annual Report under the section titled B-BBEE Compliance Performance Information.

### 49. Segment information

#### General information

#### Identification of segments

The municipality is organised and reports to management on the basis of 5 major functional areas: Executive&Council, Municipal Manager, Financial Services, Corporate Services and Technical Services. To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditure relating to these business units are allocated at a transaction level.

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

## Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
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#### 49. Segment information (continued)

##### Types of goods and/or services by segment

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

Reportable segment	Goods and/or services
Governance and Administration	Supporting service departments
Environmental Health	Inspect landfill sites, air quality monitoring, health inspections at shops
Disaster Management	Fire services support
Roads Function	Administrating the roads function on behalf of Province

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 fees charged for the services rendered, if any.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

### 49. Segment information (continued)

Segment surplus or deficit, assets and liabilities

By function

Figures in Rand thousand

	Governance and Administra- tion	Environmental Health	Disaster Management	Roads	Total Allocated	Total Unallocated	Total
<b>2025</b>							
<b>Revenue</b>							
Exchange revenue	-	-	-	58 356 106	58 356 106	-	58 356 106
Department of Transport - Roads Service Charges	6 163 043	-	-	-	6 163 043	-	6 163 043
Straight Service Charge	1 475 109	-	-	-	1 475 109	-	1 475 109
Interests Earned - External Investments	64 180	-	-	-	64 180	-	64 180
Licence and Permits	281 671	278	-	-	281 949	-	281 949
Operational revenue	5 379	-	-	-	5 379	-	5 379
Inventories: (Write-down)/Reversal of write-down to Net Realisable Value)							
<b>Total exchange revenue</b>	<b>7 989 382</b>	<b>278</b>	<b>-</b>	<b>58 356 106</b>	<b>66 345 766</b>	<b>-</b>	<b>66 345 766</b>
<b>Non-exchange revenue</b>							
Transfers and subsidies – Operational	47 622 011	-	540 786	-	48 162 797	-	48 162 797
Actuarial Gains	486 087	-	-	-	486 087	-	486 087
<b>Total non-exchange revenue</b>	<b>48 108 098</b>	<b>-</b>	<b>540 786</b>	<b>-</b>	<b>48 648 884</b>	<b>-</b>	<b>48 648 884</b>
<b>Total segment revenue</b>	<b>56 097 480</b>	<b>278</b>	<b>540 786</b>	<b>58 356 106</b>	<b>114 994 650</b>	<b>-</b>	<b>114 994 650</b>

## Annual Financial Statements for the year ended 30 June 2025

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Figures in Rand thousand

<b>Exchange revenue</b>	
Department of Transport - Roads Service Charges	
Straight Service Charge	
Interests Earned - External Investments	
Licence and Permits	
Inventories: (Write-down)/Reversal of write-down to Net Realisable Value)	
Rental from Fixed Assets	
Operational revenue	
<b>Total exchange revenue</b>	

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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Figures in Rand thousand

<b>49. Segment information (continued)</b>				
<b>Non-exchange revenue</b>				
Transfers and subsidies – Operational				
Actuarial Gains	45 510 555	-	75 010	-
	985 922	-	-	-
<b>Total non-exchange revenue</b>	<b>46 496 477</b>	<b>-</b>	<b>75 010</b>	<b>-</b>
<b>Total segment revenue</b>	<b>55 556 896</b>	<b>5 987</b>	<b>75 010</b>	<b>114 518 210</b>
<b>Expenditure</b>				
Employee related costs	25 660 041	5 639 700	1 594 574	35 033 269
Remuneration of Councillors	4 974 967	-	-	-
Inventory Consumed	296 287	23 757	23 256	13 762 545
Depreciation, amortisation and impairment	211 074	20 178	495 677	62 522
Loss on disposal of assets and liabilities	29	916	-	-
Finance Costs	842 743	-	-	-
Contracted Services	6 718 794	124 911	23 393	4 019 941
Transfers and subsidies	879 265	-	320 000	-
Operational Costs	8 265 869	290 824	854 281	6 243 003
<b>Total segment</b>	<b>47 849 069</b>	<b>6 100 286</b>	<b>3 311 181</b>	<b>59 121 280</b>
<b>Deficit for the year</b>	<b>7 707 827</b>	<b>(6 094 299)</b>	<b>(3 236 171)</b>	<b>(240 963)</b>
				<b>(1 863 606)</b>

### Information about geographical areas

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

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

### 50. Correction of errors

The following restatements and adjustments occurred which are set out below:

#### 50.1 Adjustments of Statement of financial performance items

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
<b>Revenue</b>					
<b>Exchange revenue</b>					
Department of Transport - Service Charges	22	65 781 515	-	(6 901 198)	58 880 317
Straight Service Charge	23	6 001 042	-	-	6 001 042
Interests Earned - External Investments	20	1 704 944	-	-	1 704 944
Licence and Permits	18	55 263	-	-	55 263
Inventories: (Write-down)/Reversal of write-down to Net Realisable Value)	6	50 231	(14 956)	-	35 275
Rental from Fixed Assets	19	65 859	-	-	65 859
Operational revenue	21	1 204 023	-	-	1 204 023
		<b>74 862 877</b>	<b>(14 956)</b>	<b>(6 901 198)</b>	<b>67 946 723</b>
<b>Non-exchange revenue</b>					
Transfers and subsidies – Operational	17	45 585 565	-	-	45 585 565
Actuarial Gains	32	985 922	-	-	985 922
		<b>46 571 487</b>	<b>-</b>	<b>-</b>	<b>46 571 487</b>
<b>Total revenue</b>		<b>121 434 364</b>	<b>(14 956)</b>	<b>(6 901 198)</b>	<b>114 518 210</b>
<b>Expenditure</b>					
Employee related costs	24	67 828 844	98 740	-	67 927 584
Remuneration of Councillors	25	4 974 967	-	-	4 974 967
Inventory Consumed		14 105 845	-	-	14 105 845
Depreciation and Amortisation	27	789 092	-	-	789 092
Loss on disposal of assets and liabilities	31	945	-	-	945
Finance Costs	28	842 743	-	-	842 743
Contracted Services	26	10 887 401	-	-	10 887 401
Transfers and subsidies	29	1 199 265	-	-	1 199 265
Operational Costs	30	22 555 175	-	(6 901 198)	15 653 977
<b>Total expenditure</b>		<b>123 184 277</b>	<b>98 740</b>	<b>(6 901 198)</b>	<b>116 381 819</b>
<b>Surplus for the year</b>		<b>(1 749 913)</b>	<b>(113 696)</b>	<b>-</b>	<b>(1 863 609)</b>



# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

### 50. Correction of errors (continued)

#### 50.2 Adjustments of Statement of financial position items

2024

	Note	Previously reported	Correction of error	Re-classification	Restated
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	12 686 824	-	-	12 686 824
Trade and other receivables from exchange transactions	7	4 742 474	8 109 787	588 469	13 440 730
Inventory	6	1 585 907	(14 956)	-	1 570 951
Current portion of non-current receivables	15	570 701	-	-	570 701
VAT Receivable		588 470	-	(588 470)	-
Receivables from non-exchange transactions	8	594 081	(98 741)	-	495 340
		<b>20 768 457</b>	<b>7 996 090</b>	<b>(1)</b>	<b>28 764 546</b>
<b>Non-current assets</b>					
Property, Plant and Equipment	3	9 807 917	-	-	9 807 917
Intangible assets	4	48 029	-	-	48 029
Non-current receivables from exchange transactions	5	6 980 299	-	-	6 980 299
		<b>16 836 245</b>	<b>-</b>	<b>-</b>	<b>16 836 245</b>
<b>Total assets</b>		<b>37 604 702</b>	<b>7 996 090</b>	<b>(1)</b>	<b>45 600 791</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Provisions	14	1 007 462	-	-	1 007 462
Trade and other payables from exchange transactions	12	1 835 800	12 231 216	-	14 067 016
Unspent Transfers and Subsidies	13	5 367 842	-	-	5 367 842
Current Employee Benefits	11	5 966 163	-	-	5 966 163
		<b>14 177 267</b>	<b>12 231 216</b>	<b>-</b>	<b>26 408 483</b>
<b>Non-current liabilities</b>					
Non-current Employee Benefits	10	13 281 001	-	-	13 281 001
		<b>27 458 268</b>	<b>12 231 216</b>	<b>-</b>	<b>39 689 484</b>
<b>Total liabilities</b>					
<b>Community Wealth / Equity</b>					
Accumulated surplus	16	10 146 434	(4 235 127)	-	5 911 307

#### 50.3 Correction of errors

A review of the 2024 financial information noted the following:

1. Inventory was overstated, due to the over-realisation on the inventory write down/reversal against NRV. The effect of the correction of the error is a decrease in the Inventory balance of R 14,956 in the Statement of Financial Position and a corresponding decrease in Inventories: (Write-down)/Reversal of write-down to Net Realisable Value) in the Statement of Financial Performance.

2. Payroll expenditure relating to the secondment of the Acting Municipal Manager from Beaufort West Municipality was not accounted for. The effect of the correction of the error is an increase in the Receivables from non-exchange (Net Salary control) balance of R 98,741 in the Statement of Financial Position and a corresponding increase in Employee related costs in the Statement of Financial Performance.

3. The Department of Transport Debtor's balance was understated by R 8,109,787 and Income Received in Advance - Department of Transport was understated by R 12,231,216. The net effect of this correction on Accumulated Surplus is a decrease of R 4,121,429.

The net effect of these adjustments against accumulated surplus is decrease of R 4,235,127.

# Central Karoo District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand thousand

2025

2024

### 50. Correction of errors (continued)

#### 50.4 Reclassification

The following reclassifications adjustment occurred:

1. The Department of Transport - Roads Service Charges account total included the Straight Service Charge account total which was separately disclosed, resulting in an overstatement of Revenue from Exchange Transactions and a corresponding overstatement in Operational Costs expenditure of R 6,901,198. These amounts have therefore been reclassified and the effect of the reclassification is nil on the Statement of Financial Performance.
2. The VAT Receivable balance previously disclosed represented the net VAT Receivable from SARS and Net VAT accrual amounts. These amounts have been reclassified to correctly present Vat Input Accrual, VAT Output Accrual and the VAT Receivable from SARS in terms of the requirements of GRAP1.79 and the additional guidance provided in terms of SALGA circular 38 of 2025.

### 51. Events after the reporting date

During a council meeting held subsequent to financial year, Items relating to Unauthorised, Irregular and Fruitless and Wasteful expenditure were authorised for write-off.

**Central Karoo District Municipality**  
**Appendix A**  
**Disclosure of Grants and Subsidies in Terms of Section 123 of the MFMA, 56 of 2003**

Description	Year to Date Receipts						Year to Date Expenditure						Closing Balance 30 June 2025 Rand	
	Opening Balance 01 July 2024 Rand	Repayments	Balance after repayments	Sept	Dec	Mar	Jun	Total	Sept	Dec	Mar	Jun		Total
				Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		Rand
National Government (Unconditional Grant) G/F : EQUITABLE SHARE	-	-	-	-	-	-	38 885 000	38 885 000	-	-	-	(38 885 000)	(38 885 000)	-
	-	-	-	-	-	-	38 885 000	38 885 000	-	-	-	(38 885 000)	(38 885 000)	-
National Government (Conditional Grant) G/F : LOCAL GOVERNMENT FINANCE G/F : EXPANDED PUBLIC WORKS PROGRAMME GRANT	122 513	-	122 513	-	-	-	1 000 000	1 122 513	-	-	-	(1 000 000)	(1 000 000)	122 513
	-	-	-	-	-	-	963 000	963 000	-	-	-	(963 000)	(963 000)	-
	28 430	-	28 430	-	-	-	1 834 000	1 862 430	-	-	-	(1 828 036)	(1 828 036)	34 394
	150 943	-	150 943	-	-	-	3 797 000	3 947 943	-	-	-	(3 791 036)	(3 791 036)	156 907
Provincial Government (Conditional Grant) G/F : WESTERN CAPE FINANCIAL MANAGEMENT CAPABILITY GRANT G/F : SAFETY INITIATIVE IMPLEMENTATION - WHOLE OF SOCIETY APPROACH (WOSA) G/F : WESTERN CAPE MUNICIPAL INTERVENTION G/F : MUNICIPAL SERVICE DELIVERY AND CAPACITY BUILDING GRANT G/F : JOINT DISTRICT AND METRO APPROACH GRANT G/F : FIRE SERVICES CAPACITY BUILDING GRANT G/F : LOCAL GOVERNMENT EMERGENCY LOADSHEDDING GRANT G/F : MUNICIPAL WATER RESILIENCE GRANT G/F : LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT GRANT	29 406	(29 406)	-	-	-	-	850 000	850 000	-	-	-	(850 000)	(850 000)	-
	32 780	(32 780)	-	-	-	-	581 000	581 000	-	-	-	(329 246)	(329 246)	251 754
	700 000	-	700 000	-	-	-	600 000	1 300 000	-	-	-	(600 900)	(600 900)	699 100
	392 259	-	392 259	-	-	-	-	392 259	-	-	-	(357 328)	(357 328)	34 931
	494 124	(494 124)	-	-	-	-	-	-	-	-	-	-	-	-
	500 000	-	500 000	-	-	-	1 500 000	2 000 000	-	-	-	(430 000)	(430 000)	1 570 000
	32 622	(32 622)	-	-	-	-	600 000	600 000	-	-	-	-	-	600 000
	2 400 000	(21 124)	2 378 876	-	-	-	-	2 378 876	-	-	-	(2 378 876)	(2 378 876)	-
	200 000	(200 000)	-	-	-	-	-	-	-	-	-	-	-	-
	4 781 191	(810 056)	3 971 135	-	-	-	4 131 000	8 102 135	-	-	-	(4 946 350)	(4 946 350)	3 155 785
Other Grants (Unconditional Grant) G/F : THE CHEMICAL INDUSTRIES EDUCATION AND TRAINING AUTHORITY G/F : LGSETA G/F : LGSETA (LGDP - 20331655 & 20233366) G/F : LGSETA (LGDP - 20239677) G/F : NEDBANK WINTER OUTREACH PROGRAMME	221 108	-	221 108	-	-	-	121 500	342 608	-	-	-	(211 540)	(211 540)	131 068
	201 784	-	201 784	-	-	-	-	201 784	-	-	-	-	-	201 784
	(4 810)	-	(4 810)	-	-	-	-	(4 810)	-	-	-	-	-	(4 810)
	(12 375)	-	(12 375)	-	-	-	299 230	286 855	-	-	-	(299 230)	(299 230)	(12 375)
	30 000	-	30 000	-	-	-	-	30 000	-	-	-	(29 639)	(29 639)	361
	435 707	-	435 707	-	-	-	420 730	856 437	-	-	-	(540 409)	(540 409)	316 028
Total	5 367 841	(810 056)	4 557 785	-	-	-	47 233 730	51 791 515	-	-	-	(48 162 795)	(48 162 795)	3 628 720