



# ANNUAL REPORT 2024/25

Comprehensive report on the activities and financial performance of the FBDM



**FRANCES BAARD**  
District Municipality / Distriksmunisipaliteit  
Masepala Wa Sedika / U Masepala We Sithili

Frances Baard District Municipality

# Annual Report 2024/2025



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# **PART I**

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## ACRONYMS

AFS	-	Annual Financial Statements
CBO	-	Community-based Organisation
CDW	-	Community Development Worker
COGHSTA	-	Department of Cooperative Governance, Human Settlements & Traditional Affairs
DEDAT	-	Department of Economic Development and Tourism
DIGF	-	District Inter-governmental Forum
DoRA	-	Division of Revenue Act
EPWP	-	Expanded Public Works Project
FBDM	-	Frances Baard District Municipality
FTE	-	Full-time Equivalent
GIS	-	Geographic Information System
GRAP	-	Generally Recognised Accounting Practice
HH	-	Households
ICT	-	Information Communication Technology
IDP	-	Integrated Development Plan
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Authority
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant
MPAC	-	Municipal Public Accounts Committee
NCPA	-	Northern Cape Provincial Administration
NEAR	-	National Emergency Alarm Radio System
NGO	-	Non-government Organisation
NHNR	-	National Housing Needs Register
O&M	-	Operation and Maintenance
PIGF	-	Premier's Inter-governmental Forum
PMS	-	Performance Management System
SALGA	-	South African Local Government Association
SETA	-	Sector Education and Training Authority
SDBIP	-	Service Delivery & Budget Implementation Plan
SDF	-	Spatial Development Framework
SMME	-	Small, Medium & Micro Enterprises
SPM	-	Sol Plaatje Municipality
WSP	-	Workplace Skills Plan

## **Vision**

An innovative municipality that aims to improve the quality of life of communities through integrated planning.

## **Mission**

- To promote shared services and capacity building in local municipalities
- To promote effective community and stakeholder management
- To promote social and economic development, and;
- To utilize available resources economically and effectively

## **Values**

The Municipality has adopted the motto “We Serve the Community” and is committed to the following core values of:

- Development as an empowering process within and outside our Municipality;
- Pride in the professional delivery of services and in the attainment of planned actions;
- Recognition of the district municipality as an expression of the cultural diversity and tolerance within the district municipality;
- Honesty and integrity as an internal force driving service excellence;
- Being driven by the aspirations of our people; we will respect and uphold the Constitutional of the Republic of South Africa;
- Commitment to the code of conduct for Councillors and officials in accordance with the Municipal Systems Act, 2000;
- Commitment to the principles of sound financial management;
- Subscribing to the principles of “Batho Pele”

# Chapter 1 - Mayor's foreword and executive summary

## 1.1 Mayor's foreword



Ms HU Buda  
Executive Mayor

The 2024/25 financial year marked a period of renewed commitment for the Frances Baard District Municipality. Our focus remained firmly on strengthening institutional capacity, improving service delivery, and deepening democratic governance.

This year was defined by intensified efforts to align our work with the long-term strategic objectives of the Provincial Growth and Development Strategy and our own Integrated Development Plan (IDP). Guided by the overarching vision of a district that is economically vibrant, socially cohesive, and service-orientated, we continued to ensure that no community is left behind.

The political environment required us to remain grounded, focused, and united in our mandate to serve. We did so with distinction — keeping our sights on impact, outcomes, and the long-term development trajectory of the district. Despite financial constraints, the district achieved notable progress in terms of the following:

- **Infrastructure Investment:** Through capital allocations and operation & maintenance programmes, we strengthened water, sanitation, and road infrastructure across Dikgatlong, Magareng, Phokwane, and Sol Plaatje. Key interventions included refurbishing wastewater treatment plants, stormwater drainage, and road maintenance, improving service delivery in our communities.
- **Job Creation & Skills Development:** The Expanded Public Works Programme (EPWP) enabled youth entrepreneurship, brick production initiatives, and employment opportunities. This not only created jobs but also built capacity among young graduates and local residents.
- **Sustainability & Innovation:** The introduction of the Energy Efficiency and Demand Side Management (EEDSM) Programme marked a significant milestone. With the retrofitting of streetlights, municipal facilities, and treatment plants, we are reducing energy consumption while promoting environmental sustainability.
- **Housing & Human Settlements:** We completed the review of Human Settlement Sector Plans for the district and our local municipalities, while also supporting communities with housing consumer education workshops.
- **Environmental Health & Climate Action:** With 85 awareness campaigns and a tree-planting initiative during Arbor Month, we educated communities on waste, sanitation, and climate resilience. These interventions strengthened our role as custodians of a healthy and sustainable environment.
- **Disaster Management & Firefighting:** Investments in firefighting equipment, CCTV upgrades, and training of volunteers have enhanced the district's preparedness to respond to emergencies and safeguard our communities.
- **Local Economic Development & Tourism:** Events such as the Diamonds and Dorings Festival, Global Entrepreneurship Week, and SMME pop-up markets showcased our district's cultural vibrancy and supported small businesses. Participation in Africa's Travel Indaba further positioned Frances Baard as a competitive tourism destination.
- **Spatial Planning & GIS:** The completion of the Phokwane Nodal Plan, land audits, and GIS innovations — including drone technology — have laid a strong foundation for integrated, evidence-based planning.

These achievements were possible because of a shared commitment to service delivery excellence. I extend my appreciation to our Councillors, officials, and partners for their tireless efforts. Most importantly, I thank the communities of Frances Baard for their patience, engagement, and continued belief in the work we do.

As we look ahead, we remain committed to consolidating these gains and building a district that is economically vibrant, socially inclusive, and environmentally sustainable. Together, we will continue to transform Frances Baard into a municipality that truly serves its people.

## 1.2 Executive summary

### Municipal Manager's Overview

It is with satisfaction that I report on the performance of Frances Baard District Municipality over the 2024/25 financial year. Despite the prevailing economic pressures, rising costs, and constrained revenue, the municipality has made measurable improvements in service delivery, strengthened alignment with our strategic priorities, and pursued financial sustainability while introducing several efficiency-enhancing mechanisms and administrative reforms.

The municipality's 2024/25 budget reflects a careful alignment with Council priorities as set in the Integrated Development Plan (IDP), particularly in terms of supporting local municipalities, infrastructure maintenance, and economic development. A substantial portion (38%) of the operational budget was directed towards supporting local municipalities in delivering essential services.

Non-priority spending was deliberately reduced (advertisements, bursaries, travel/accommodation, etc.) to better ensure that budgeted resources are dedicated to sectors the IDP emphasises: service maintenance, infrastructure, and public support programmes.

#### Service delivery performance

- The municipality continues to enjoy strong audit outcomes: for 2023/24 FBDM obtained a clean audit (unqualified opinion) from the Auditor-General, for the fourth consecutive year. This reflects improved controls, better financial accuracy, and compliance with reporting and regulatory requirements.
- In the mid-year review, savings of about R11 million were identified (from unused budget items, vacant positions, completed projects, etc.) and reallocated to local municipalities to improve immediate service delivery, especially for infrastructure and maintenance.
- However, there remain challenges: aging infrastructure continues to impose stress; water losses in distribution and electricity losses have increased year-on-year

#### Financial Sustainability and Financial Health Ratios

- Key revenue streams remain heavily dependent on government grants and subsidies (Equitable Share being the largest), with other sources contributing less. This dependence limits financial flexibility.
- Measures to improve cost coverage and reduce waste have been introduced: cost-containment on non-essential expenditures (travel, catering, etc.), scrutiny of outsourced services, and stricter controls on vacant posts.

While the financial climate remains tough, Frances Baard District Municipality has succeeded in preserving high standards of governance (as evidenced by clean audit outcomes), improving service delivery in priority areas, aligning its budget with strategic IDP goals, and introducing operational efficiencies. Going forward, we must continue to strengthen financial sustainability by expanding revenue sources, limiting deficits, maintaining reserves and deepen shared and collaborative service models. Efforts in infrastructure maintenance, resource conservation, and administration reform will remain central to sustaining service delivery with limited resources.



Municipal Manager  
Ms Z.M Bogatsu

## 1.3 Municipal functions, population and environmental overview

Frances Baard District Municipality continues to provide strategic support to Category B municipalities within its jurisdiction. This support focuses on infrastructure development for the provision of free basic services, as well as ongoing assistance with operations and maintenance. In addition, the district municipality offers ad hoc administrative, technical, and financial management support to Dikgatlong, Magareng and Phokwane local municipalities, ensuring that they are better equipped to meet the needs of their communities.

Our commitment to strengthening local government capacity remains a priority. During the year under review, the District Municipality provided funding for both capital projects and operational needs. This support extended beyond financial assistance to include technical expertise through the deployment of engineering technicians and building inspectorate services to the local municipalities.

The Frances Baard District Municipality operates with sound internal systems that promote accountable, efficient, and effective governance. As the sphere of government closest to communities, the District continues to sustain a strong developmental focus. We are proud of our robust financial management practices, which serve as the foundation for our effective service delivery and operational performance.

The Frances Baard District comprises the District Municipality (Category C) and four local municipalities (Category B). Each local municipality is mandated to exercise its powers and perform its functions to deliver municipal services in an equitable and sustainable manner. In line with our constitutional role, we continue to support our local municipalities by building their institutional capacity, enabling them to fulfill their service delivery responsibilities effectively.

Recognising the diversity in capacity and needs across the district, the Constitution allows for an asymmetrical allocation of roles and responsibilities between the District Municipality and its local municipalities. This flexibility enables the District to tailor its support according to the specific requirements of each municipality. In this context, our role includes the equitable distribution of resources, the provision of technical and capacity-building support, and the promotion of economic development throughout the region.

These objectives are pursued through the implementation of a shared-services model, which fosters collaboration, efficiency, and resource optimization across all municipalities in the District..

### District-wide priority issues

1. Job creation
2. Roads and storm water
3. Water and sanitation
4. Local Economic Development and Youth Development
5. Streetlights and high-mast lighting
6. Environmental Health Management
7. Disaster Management
8. Renewable energy
9. Upgrading of informal settlements
10. Bulk infrastructure
11. Education
12. Housing and Land Development
13. Land audit
14. Library
15. Health (clinics / hospitals)
16. Sport and recreational facilities
17. Security
18. Electricity
19. Social and community services

**According to the district IDP the priority areas for the local municipalities in the Frances Baard district are as follows:**

Municipal area	Top four priority areas
Dikgatlong	1. Water and sanitation, 2. Roads and stormwater, 3. Housing and land and 4. Electricity.
Magareng	1. Water and sanitation, 2. Job creation, 3. Land development and audit and 4. Education.
Phokwane	1. Roads, 2. Sewer and water, 3. Electricity and 4. Housing.
Sol Plaatje	1. Roads, 2. Housing, 3. Sanitation and 4. Recreation.
District-wide	The district-wide priorities: 1. Water and sanitation, 2. Roads and stormwater, 3. Housing and land development and 4. Electricity.

The 2024/25 annual budget was prepared in accordance with the approved Integrated Development Plan (IDP) and the municipality’s budget process plan. The planning process involved close consultation with all local municipalities within the district to ensure alignment of development priorities and financial planning across the region.

**Geographic and Demographic Overview**

The seat of Frances Baard District Municipality is Kimberley, which is also a seat of the Northern Cape Provincial government. The district shares its borders with the North West and Free State provinces. Despite being the smallest district geographically, covering only 12,384 km², Frances Baard is home to 32% of the Northern Cape’s population, with a total of 434,343 residents as recorded in Census 2022. The district comprises four local municipalities:

- Sol Plaatje local municipality (67% of the district population);
- Dikgatlong local municipality (15%);
- Magareng local municipality (11%); and
- Phokwane local municipality (6%).

**Economic Profile**

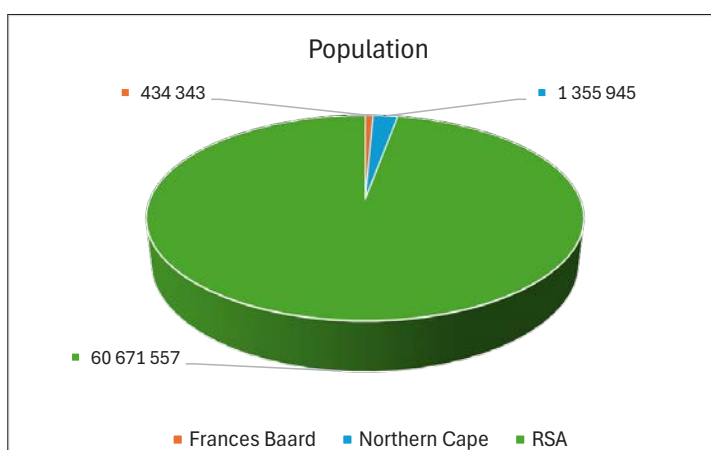
The district remains a key economic hub for the Northern Cape, and contributes 36% of the provincial GDP. The district’s economy is diverse, with the following sectoral contributions:

- Agriculture and Mining: 14%
- Manufacturing, Electricity, and Construction: 9%
- Trade, Transport, Financial, and Social Services: 77%

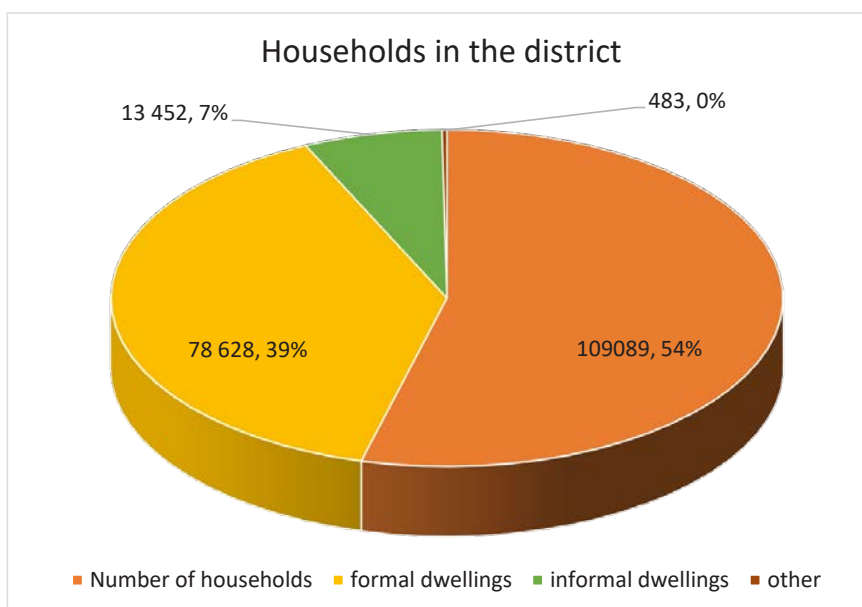
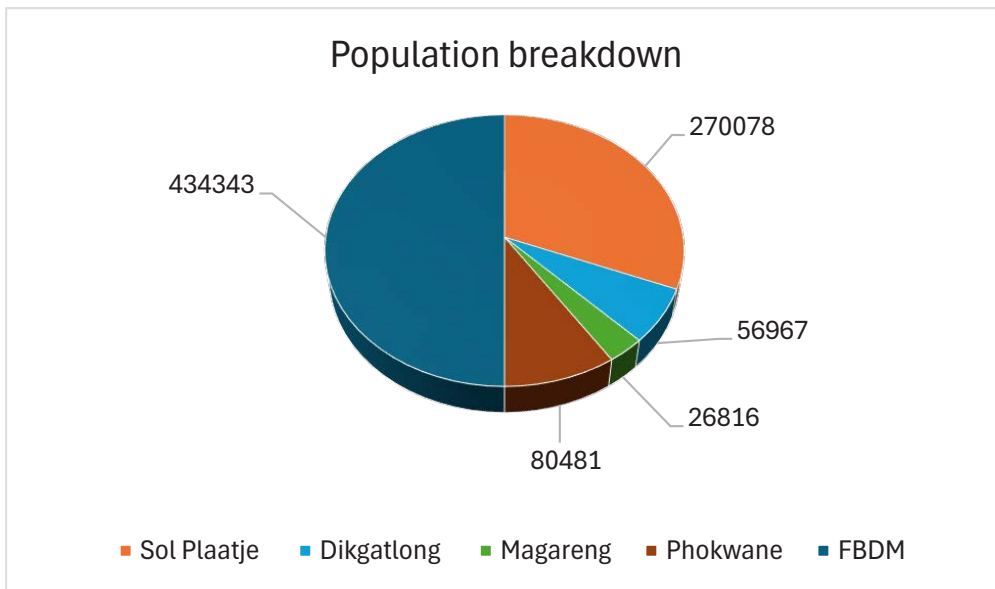
**Unemployment and Socio-Economic Challenges**

Despite its economic significance, the district faces persistent socio-economic challenges, most notably a high unemployment rate. The overall district unemployment rate stands at 39.4%, with rates varying across the local municipalities:

- Magareng: 53.9%
- Phokwane: 47.8%
- Dikgatlong: 44.0%
- Sol Plaatje: 36.2%



Census, 2022



Housing demand			
Subsidised housing			
Sol Plaatje	Dikgatlong	Magareng	Phokwane
36.38%	18.30%	7.67%	37.65%
GAP Housing			
Sol Plaatje	Dikgatlong	Magareng	Phokwane
55.60%	16.22%	7.63%	20.55%

No schooling (<15yrs)	Unemployment rate	Economically active
3.04%	26.80%	31.31%

The district demographic pattern presents the following challenges and opportunities:

Challenges	Opportunities
<ul style="list-style-type: none"> <li>Increased growth in unemployment and poverty levels</li> <li>Increased dependency on social grants</li> <li>Increased number of indigents</li> <li>Decline in municipal revenue generation</li> </ul>	<p>The district has a youthful population (30% of the population is &lt;19 years) that has the potential for learning and acquiring new skills that may reverse the bleak outlook of the district.</p>

Natural Resources			
Major Natural Resource	Relevance to Community	Challenges	Opportunities
Water	Usage of river to supply water for agriculture purposes and usage of river for outdoor activities (tourism)	Insufficient water rights allocated to small emerging farmers.	<ul style="list-style-type: none"> <li>Increase of farming activity in the district</li> <li>Water sport activities/ tourism</li> </ul>
Arable land	Farming	Skills of emerging farmers, funds to compete with commercial farmers	<ul style="list-style-type: none"> <li>Supply of malt to the Cape Malt plan</li> <li>Supply of nuts for oils processing</li> </ul>
Diamond, lime deposits & semi precious stones	Mining activity	Skills and funding	Small scale mining and processing of semi precious stones
Game	Game farming and establishment of tanneries	Transformation of industry	<ul style="list-style-type: none"> <li>Entry of blacks into game farming industry</li> <li>Promotion of trophy hunting</li> <li>Establishment of a tannery</li> </ul>
Sun light	Establishment and fostering of alternative energy industry and supply of cheaper energy (electricity)	Skills of communities and accessibility to the technology	<ul style="list-style-type: none"> <li>Alternative energy implements</li> <li>Cheaper electricity</li> </ul>

## 1.4 Service Delivery Overview

### • Capital Projects

Council, in its adjustment budget, approved an allocation of R6 million for capital projects to three of its local municipalities - Dikgatlong, Magareng, and Phokwane. Each local municipality received R2 million to support their respective infrastructure and service delivery initiatives.

Projects implemented through capital grant allocations:

- Dikgatlong Local Municipality: Refurbishment of Barkly West Wastewater Treatment Plant: Aerator pumps and return activated sludge pumps was procured and installed.
- Magareng Local Municipality: Repairs to Warrenton Wastewater Treatment Works and surrounding pump stations: The project was still in progress at the close of the financial year. The grant was used as co-funding for the MIG project.
- Operation and Maintenance (O&M):

R10 million was approved for the Operation and Maintenance (O&M) Programme for the 2024/25 financial year. This funding was equally distributed among the four local municipalities, with each receiving R2.5 million to support essential maintenance and operational activities. An additional R5 million was appropriated through the adjustment budget with Dikgatlong local municipality receiving R1m, Phokwane local municipality R1m and R3m to Sol Plaatje local municipality from the allocation.

Dikgatlong:

- Streets and stormwater drainage: Road maintenance material was procured.
- Water infrastructure: Chemicals were procured for the water treatment facilities in Barkly West and Windsorton. In addition, valves and pumps were specifically acquired for the Barkly West Water Treatment Plant to support its operational efficiency.

Magareng:

- Streets and stormwater: Material and equipment were bought for the brickmaking project.
- Water infrastructure: Additional chemicals for water purification were procured for the Warrenton Water Treatment Works. Raw water pumps were rented and installed.

Phokwane:

- Streets and stormwater: Material and equipment for roads maintenance purchased and delivered.
- Wastewater infrastructure: Two gearboxes of aerators and their motors were repaired at the Hartswater wastewater treatment plant. Emergency repairs were carried out on sewerage pumps at the wastewater plant in Pampierstad.
- Water infrastructure: Emergency desludging and unblocking of the flooded oxidation pond system were carried out at the Water Treatment Works in Jan Kempdorp.

Sol Plaatje:

- Streets and stormwater drainage: G5 material was supplied and delivered in Kimberley for road maintenance. In addition, hot mix asphalt was procured for road maintenance projects across various areas in Kimberley.
- Wastewater infrastructure: Maintenance work was done at Platfontein sanitation.

The district municipality received an EPWP incentive grant of R1,274,000 for the 2024/25 financial year with a employment target of 17 FTEs, of which the total FTE achieved was 30.77.

- Rural Road Asset Management System (RAMMS)

The National Department of Transport has allocated R2,829m for the implementation of RRAMS for the 2024/25 financial year. This marks the fourth cycle of the district's participation in the RRAMS programme. The purpose of the grant is to support municipalities in setting up their rural road asset management systems.

- Energy efficiency and demand side management (EEDSM)

The Energy Efficiency and Demand Side Management (EEDSM) Programme was introduced to the municipality in the financial year 2024/25 with grant funding by the Department of Electricity and Energy. The objective of the grant is to promote energy efficiency and reduce energy consumption within municipalities through the retrofitting of the following:

- Streetlights with energy-efficient LED fixtures;
  - Lighting in municipal buildings; and
  - Water and wastewater pumps at treatment plants
- Housing:

The review of the district municipality's Human Settlement Sector Plan and the Chapter of human settlement to the Integrated Development Plan was achieved in the 2024/25 financial year. The sector plans for the local municipalities of Dikgatlong, Magareng, and Phokwane were also completed. The Human Settlements Sector Plan is compiled every five years and is reviewed annually to ensure that it:

- Remains responsive to achieving the vision of the Frances Baard district municipality in relation to the delivery of sustainable human settlements; and
  - Adheres to the vision and priorities of the IDP and other related development plans.
- Environmental Health:

The district municipality renders municipal health services (MHS) in the local municipalities of Phokwane, Magareng, and Dikgatlong. The municipality has signed a memorandum of understanding (MOU) with Sol Plaatje Municipality to render MHS in its area on behalf of FBDM. However, recruiting sufficient Environmental Health Practitioners (EHPs) continues to be a challenge, as the National Environmental Health Norms and Standards recommend a ratio of 1 EHP for every 10,000 residents.

- Disaster Management and Fire Fighting:

The municipality supports the local municipalities of Phokwane, Magareng, and Dikgatlong in implementing the Disaster Management Act. Sol Plaatje Municipality operates its own independent disaster management unit. Each year, disaster management volunteers receive training and are deployed during emergencies. This year, 20 volunteers were trained.

- Local Economic Development:

The district municipality hosted its annual FBDM Global Entrepreneurship Week in November 2024. The programme provided SMMEs with access to information, funding opportunities, markets, and competitiveness. The district municipality in collaboration with the Small Enterprise Development Agency (SEDA) hosted the Pop-Up Market at Diamond Pavilion Mall in March 2025. The primary objective of the event was to provide a platform for local SMMEs to showcase, market, and promote their products and services to a broader local audience. A total of 12

SMMEs were invited to participate, gaining valuable exposure, networking opportunities, and direct engagement with potential customers.

- Tourism

During the 2024/25 financial year, our tourism function achieved the following:

- N12 Promotion Campaign was held from 12-13 December 2024. This campaign aimed to attract travelers to the N12 route and promote the district as a preferred holiday destination.
- Tourism Promotion: Advertisements highlighting the district's tourism offerings and services were placed in renowned tourism magazines.
- Tourism and Business Studies Business Plan Competition: Eight schools participated in the 2024/25 competition, with an awards ceremony held on 8 December 2023 in Kimberley.
- Africa's Travel Indaba: The municipality secured an exhibition space at the Indaba Trade Expo in Durban in May 2025 to market and promote the district's tourism offerings on an international scale.

- Spatial Planning

In the 2023/24 financial year the district municipal planning tribunal received and processed 54 applications which included, relaxation of building lines and parking, township establishments, rezoning, sub-divisions, consolidations, relaxation of building lines, consent use application for the purpose of a telecommunication mast and a base station and the removal of the title deeds conditions.

## 1.5 Financial Overview

The overall financial management of the municipality has been assessed as fairly good for the 2024/25 budget submissions with Treasuries and the audit outcome of 2024/25. The consistent hard work of the municipality has resulted in receiving an unqualified audit finding with no matters.

The municipality continue to strive in fulfilling its following core mandates fully due to reliance on grants which grow an average of 2% annually:

- To render and support sustainable municipal health and environmental planning and management in the district; and
- To implement an effective and efficient Disaster Management and Fire Fighting service in the district.

In addition to our core mandate, the responsibility is vested upon us to ensure that we apportion the limited resources to invest in capital assets at the local municipalities as well as maintaining their aging infrastructure assets, to enhance service delivery within the Frances Baard district. To fulfil our statutory and fiduciary support to our local municipalities, the district paid annual remuneration of about 14% towards salaries of officials appointed directly to provide support to our local municipalities.

Despite the lack of sufficient cash flow, the municipality allocated funds to our local municipalities in the 2024/25 financial year. The funding was allocated to the local municipalities to assist with the operation & maintenance (O&M) and renewing their capital aging infrastructure assets to ensure enhancement of service delivery on the Frances Baard communities.

A net asset position of R177,200,405 (2023/24: R162,523,332) was realised, which indicates that the municipality's total assets were more than the total liabilities. The amount of cash at year-end was R139million including savings in the financial year, which affords the municipality to invest cash at different banking institutes to generate own revenue in a form of interest. The municipality has been able to pay the creditors within a 30- day period as required by the law.

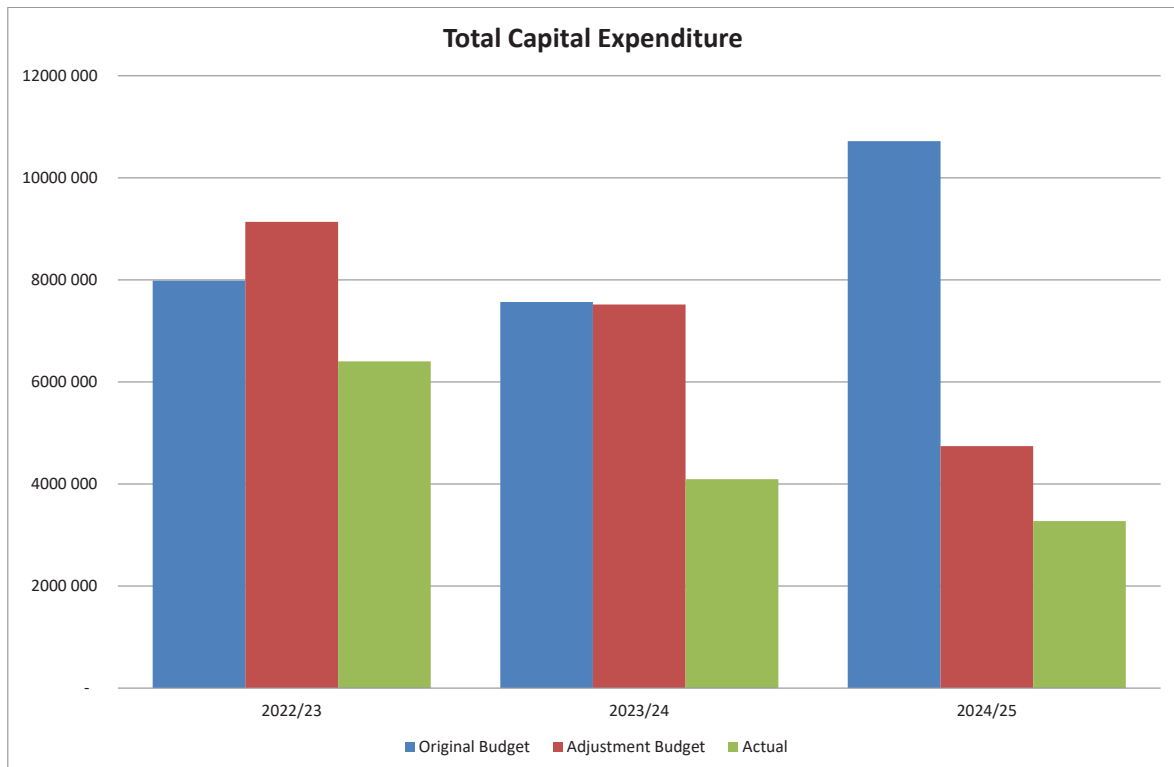
Financial Overview - 2024/25			R'000
Details	Original Budget	Adjustment Budget	Actual
<b>Income</b>	-	-	-
<b>Grants</b>	150 819	150 920	147 618
<b>Taxes, Levies and tariffs</b>	-	-	-
<b>Other</b>	9 771	9 771	15 267
<b>Sub-Total</b>	160 590	160 691	162 885
<b>Less Expenditure</b>	178 794	184 486	148 301
<b>Net Total*</b>	(18 204)	(23 795)	14 584

\*Note: surplus/(deficit)

Operating Ratios	
Detail	%
Employee Cost	44.77%
Repairs & Maintenance	2.77%
Finance Charges & Depreciation	2.53%

The employee costs currently stand at 53.41% of the total budget of the municipality. It is important to highlight that since the municipality has a statutory mandate to support the local municipalities, it employed dedicated personnel with highly technical skills to live up to the challenge of supporting our local municipalities, included in the 53.41% reported.

Total Capital Expenditure 2022/23 - 2024/25			
	R'000		
Detail	2022/23	2023/24	2024/25
Original Budget	7 984	7 565	10 717
Adjustment Budget	9 135	7 517	4 742
Actual	6 403	4 094	3 274



The actual expenditure incurred on fixed assets represents an efficiency rate of 69.04%. There are savings realised on capital projects.

## 1.6 Organisational Development Overview

### Strengthening Institutional Capacity for Enhanced Service Delivery

Our continued efforts to strengthen institutional capacity and improve service delivery to local municipalities have been guided by several strategic initiatives. These focus areas and their associated impacts are outlined below:

#### Institutional Capacity Building

- **Efficiency Focus:** Ongoing assessments and enhancements to institutional systems are designed to streamline operations and improve the efficiency of service delivery to local municipalities.
- **Technical Services Prioritization:** Emphasis on technical services underscores their critical role in supporting infrastructure development and maintenance at the local level.

#### Structured Support Services:

Key support functions are structured to ensure alignment with strategic goals and optimal service delivery:

- **Internal Audit Services:** Promoting accountability, transparency, and regulatory compliance.
- **Financial Services:** Strengthening financial management systems and internal controls.
- **Technical Support Services: Enhancing the execution of infrastructure and development initiatives.**
- **ICT Services:** Supporting efficient communication and data systems through modern technology solutions.
- **Town Planning:** Facilitating sustainable and integrated spatial development.
- **Performance and Development Planning:** Ensuring continuous performance monitoring and strategic alignment with community needs.

#### Leadership and Governance

- **Executive Vacancies:** While executive-level vacancies remain a challenge, service delivery continues uninterrupted due to strong governance frameworks and internal controls.
- **Future Outlook:** Legislative and recruitment strategies are actively being pursued to address leadership gaps.

#### Skills Development Initiatives:

- **Training and Development:** Staff competencies continue to improve through targeted training programs, reinforcing institutional resilience and service delivery capabilities.
- **Bursary Program:** Growth in undergraduate and postgraduate bursary recipients contributes to long-term talent development and retention.

These initiatives reflect a holistic approach to institutional strengthening, enhancing municipal performance, building technical capacity, and investing in a skilled workforce, all of which are critical to delivering sustainable, high-quality services to our communities.

## 1.7 Statutory Annual Report Process

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

This annual report is intended to provide a summary of our achievements and reflect how the municipality has performed in terms of governance and financial management.

It also provides an overview of our financial position, especially the cash flow and how we are progressing to ensure that we remain a going concern. Our stakeholders and interested parties may use this information to make important decisions.

The IDP is a strategic document that clearly outlines the development objectives and provides a policy framework that guides management in decision-making relating to budgeting and planning. Our 4th generation IDP sets the tone of the vision of the current term of Council.

It is aligned to the budget through programmes and action plans to give operational effect to the objectives. The alignment of the IDP, budget, performance plans of directors, line managers and project management are creating the benefit of ensuring that the municipality has an effective system of performance management.

# Chapter 2 - Political and Administrative Governance

## 2.1 Political Governance

The Executive Mayor as the political head of the municipality, working with the Speaker who is the chairperson of Council, is responsible for ensuring an effective governance within the statutory framework as well as within system and policies of the municipality.

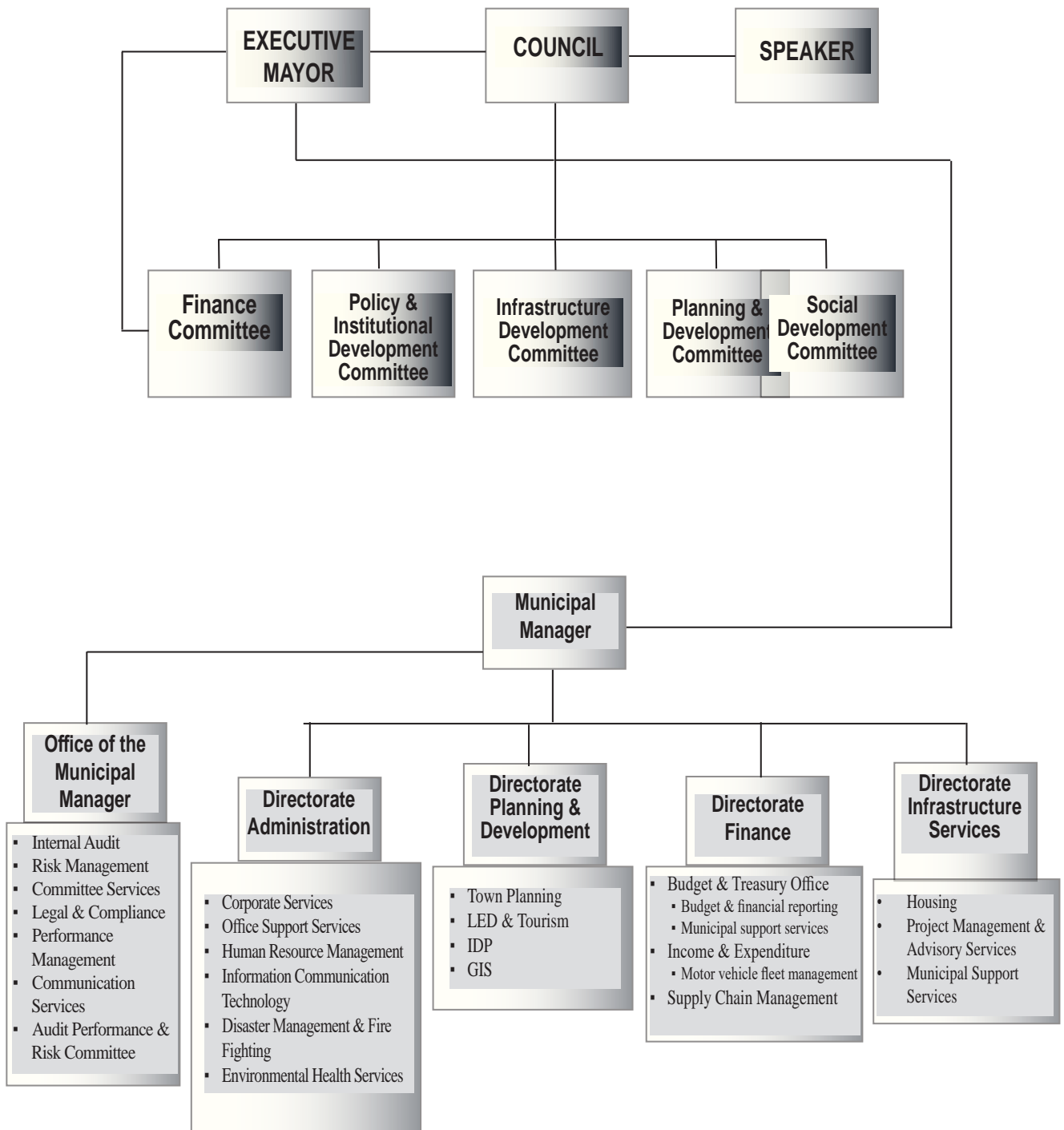
Political governance and transformation is one of the major determining factors in driving the vision of a district which is development focussed and therefore improves the quality of life of the people in its area of jurisdiction.

The council is empowered to address the existing and future needs of the district community and it does so through its resolutions. Council members embody the public welfare of our communities which means trying to provide basic services within its resource limitations and carry out the concerns expressed by the people affected by their decisions.

The Executive Mayor, with her mayoral committee, ensures that there is accountability by the administration through the five established section 80 committees (finance, policy and institutional development, social development, infrastructure development and planning and development).

The Municipal Public Accounts Committee (MPAC) remains the watchdog of the municipal resources and recommends its decisions to council for its resolutions. This grants council with the opportunity to keep both the administration and councillors accountable for the usage of the municipal resources and therefore promotes an environment of good governance and internal controls.

## 2.1.1 Governance Model



## 2.1.2 Audit, performance and risk committee

### **FRANCES BAARD DISTRICT MUNICIPALITY AUDIT, PERFORMANCE AND RISK COMMITTEE ANNUAL REPORT FOR THE PERIOD ENDING 30 JUNE 2025**

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#### **1. PURPOSE**

The Committee is honoured to present its report for the financial period ending 30 June 2025. The committee was functional throughout the year and had several engagements with management on matters related to financial management, internal control, risk management, performance management and governance. The committee would like to acknowledge the attendance and participation of the Accounting Officer and senior management as well as internal audit and chief risk officer in committee meetings.

#### **2. LEGISLATIVE REQUIREMENTS**

We are required to present Council with an annual report for the primary purpose of advising the Municipal Council, political office bearers and accounting officer on matter relating to section 166 (2) – (3) of the Municipal Finance Management Act and other applicable laws and regulations.

#### **3. AUDIT COMMITTEE MEMBERS AND MEETINGS DETAIL**

##### **3.1 Committee structure and assessment**

The established committee consists of 3 independent external members as listed below:

- |                  |             |
|------------------|-------------|
| • Mr GR Botha    | Chairperson |
| • Mr T Mudamburi | Member      |
| • Mr PS Masikela | Member      |

The Committee Chairperson should assess the performance of individual Committee members, and the Council should evaluate the Committee's chairperson based on several factors. These include:

- Expertise;
- Inquiring attitude,
- Objectivity, and independence;
- Judgment;
- Understanding of the public-sector business;
- Willingness to devote the time needed to prepare for and participate in Committee deliberations;
- Timely responses; and
- Attendance at meetings

Overall the Chairperson is satisfied that the current members have displayed sufficiently, through behaviour and attitude, that the expectations set out in the Audit Committee Charter have been adhered to.

##### **3.2 Meeting details**

The committee is required as per the MFMA section 166(4)(b) to meet at least four times during a financial year. The committee has met on the dates set out below in the table to execute its mandate in accordance with the agenda of the day.

Dates	G Botha	T Mudamburi	PS Masikela
16 August 2024	√	√	√
07 March 2025		√	√
19 March 2025		√	√
17 June 2025	√	√	√
19 June 2025		√	√
<b>Total</b>	<b>2</b>	<b>5</b>	<b>5</b>

#### 4. AUDIT COMMITTEE RESPONSIBILITIES

The committee is pleased to report that it has complied with its responsibilities arising from Section 166(2) of the Municipal Finance Management Act, Section 41 of the Municipal Systems Act, Local Government Municipal Planning and Performance Management Regulation and relevant Treasury Regulations and circulars and other relevant legislation. The committee has formally adopted its terms of reference as its Audit, Risk and Performance Committee charter and has regulated its affairs in compliance with this charter and discharged their duties as contained therein.

#### AUDIT COMMITTEE COMMENTS

##### 5.1 INTERNAL AUDIT

###### 5.1.1 Staff

The committee took note that the internal audit unit is headed up a Chief Audit Executive (CAE) and supported by a number of staff members. The audit committee is satisfied that the staff complement is sufficient to perform its duties in respect of the Frances Baard District Municipality. The FBDM however provides an internal audit function to the local municipalities (Dikgatlong and Magareng) and based on the audit annual plan an amount of the work is outsourced. The long-term vision of this important support service will require the attention of the Council to consider the optimal human resource component and associated resources required to meet the continuous demands placed on effective governance.

###### 5.1.2 Performance

The committee is satisfied that the internal audit unit performed its activities in all material respects in accordance with the approved internal audit plan for the financial year read with section 165 of the Municipal Finance Management Act. Quarterly internal audit reports reflecting the progress were adopted at the normal meetings held during the year. Where appropriate the audit committee expressed their views on the progress and we are overall satisfied with remedial actions taken by the CAE and Accounting Officer.

###### 5.1.3 Training

The committee will continue to motivate and support the furthering of professional development in a bid to achieve the desired qualification for the approved positions of the internal audit unit.

##### 5.2 EXTERNAL AUDIT/AUDITOR-GENERAL SOUTH AFRICA

The committee engaged with the external auditor on the 2023/24 audit cycle to consider the draft audit report and took note of the audit opinion expressed.

### 5.3 EFFECTIVENESS OF INTERNAL CONTROL

The committee is of the view, based on the independent evaluations conducted by internal audit during the year as well as reports submitted to the committee that a system of internal controls have been established by the accounting officer.

### 5.4 RISK MANAGEMENT

The committee is satisfied with the progress made with risk management in the district municipality. A separate risk management committee has not yet been established, and the responsibility currently resides with the audit committee. As the risk management maturity level improves, so will the processes mature to have a risk management committee reporting to the audit committee in the future.

### 5.5 PERFORMANCE MANAGEMENT

The municipality established a performance management system incorporating the institution performance report and performance agreements of the accounting officer and senior management. Throughout the financial year management provided assurance on the reported performance information, supported by reports by internal audit. Weaknesses on reported performance information were addressed by management throughout the year.

### 5.7 THE ANNUAL FINANCIAL STATEMENTS

#### 5.7.1 Unaudited financial statements and related performance reports.

The committee reviewed the draft financial statements and related reports before submission to the Auditor general of South Africa.

#### 5.7.2 Changes in Accounting Policies and Practices

The committee considered any changes to the accounting standards (GRAP) and took note that the municipality did not early adopt any amendments to the standards. The impact of these amendments does not appear to be significant.

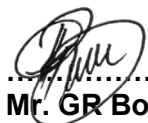
#### 5.7.3 Compliance with laws and regulations.

The committee took note that the municipality complied in all material respect with laws and regulations. Assurance was obtained from management and internal audit throughout the financial year.

## 6. CONCLUSION

Whilst the audit committee strives to add value and strengthen the governance of the municipality, the benefit thereof can only be derived through concerted efforts by both Management and the Council to implement the resolutions and recommendations provided by the audit committee.

The committee would like to urge both Management and the Council to work as a collective to maintain a clean audit outcome.



.....  
**Mr. GR Botha**  
**Chairperson of the Audit, Performance and Risk Committee**

## 2.1.3

## Political Structure



Ms U Buda  
Executive Mayor



Ms KC Mothibi  
Speaker



Mr KJB Sonyoni  
Finance Committee



Ms LN Shushu  
Policy & Institutional  
Development Committee



Ms OM Ditakgwe  
Social Development  
Committee



Ms J Tshekedi  
Planning & Development  
Committee



Mr ME Mokgathanyane  
Infrastructure  
Development Committee



Ms K Molale  
MPAC

See **Appendix A** - full list of councillors (including committee allocations and attendance at council meetings)

See **Appendix B** - committees and committee purposes

## 2.1.4 Political Decision-taking

Council remains the highest decision-maker in accordance with the Municipal Structures Act. Council has the following section 80 committees to assist with its oversight and decision-making:

- Finance;
- Social Development;
- Planning and Development;
- Infrastructure; and
- Policy and Institutional Development.

The Municipal Public Accounts Committee has the power to investigate any matter relating to the financial resources of the municipality and make clear recommendations to Council for its decision.

Council is also supported by the audit, performance and risk committee to arrive at its decisions. The committee provides an independent assessment of the activities of the control environment of the municipality.

The Speaker ensures the effectiveness and the functionality of Council and its committees. She is also the custodian of the decorum of all council sittings and the discipline of councillors.

## Council resolutions taken for the 2024/25 financial year

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Housing Unit: Human Settlements Sector Plan and Chapter of the IDP for the period 2024/2025	Council noted the Human Settlements Sector Plan and Chapter for the IDP for the period 2024/2025	31 July 2024	No action required	
Request for Contract Extension of a Financial System (Variation Order)	<ol style="list-style-type: none"> <li>Council noted the report.</li> <li>Council approved that current financial system contract of CCG Systems (PTY) LTD for a period of 12 months commencing 01 January 2025 to 31 December 2025 to allow the financial system contract to run simultaneously with the financial year of the municipality; and</li> <li>Council to follow the section 116 (3) of the Municipal Finance Management Act 56 of 2003 process by giving reasonable notice to the local community of the intention to amend the contract and inviting the local community to submit representation to the municipality.</li> </ol>	31 July 2024	The 12-month extension was approved but later amended with 3 years.  The advert was issued to source inputs of the community.	
Monthly Finance Report: April 2024	<ol style="list-style-type: none"> <li>Council approved of the special adjustment budget as per recommended resolution tabled.</li> <li>Council resolved that the special adjustment budget for the financial year 2023/2024, and indicative for the projected outer years 2024/2025 and 2025/2026 be approved as set out in the following schedules: <ol style="list-style-type: none"> <li>2.1 Adjustment Budget Summary – Table B1 (Page 1)</li> <li>2.2 Budgeted Financial Performance (Revenue and Expenditure by standard Classification) Table B2 (Page 2)</li> <li>2.3 Budgeted Financial Performance (Revenue and Expenditure by standard Classification) – B -Table B2 (Page 4)</li> <li>2.4 Budgeted Financial Performance (revenue and expenditure by municipal vote) Table B3 (Page 5)</li> <li>2.5 Budgeted Financial Performance (revenue and expenditure by municipal vote) – B – Table B3 (Page 5)</li> <li>2.6 Budgeted Financial Performance (revenue and expenditure) – Table B4 (Page 6)</li> <li>2.7 Budgeted Capital Expenditure by vote and funding – Table B5 (Page 7&amp;8)</li> <li>2.8 Budgeted Financial Position – Table B6 (Page 9)</li> <li>2.9 Budgeted Cash Flow Table B7 (Page 10)</li> <li>2.10 Cash backed reserves/accumulated surplus reconciliation – Table B8 (Page 11)</li> <li>2.11 Asset Management – Table B9 (Page 12)</li> <li>2.12 Basic service delivery measurement Table B10 (Page 13)</li> </ol> </li> <li>Council resolved to relocate the budget of R 800 000 for Magareng Local Municipality server from capital to operational budget under transfers and subsidies.</li> <li>Council resolved that other related supporting documentation to the approved budget be updated according to the adjustments made.</li> <li>Council resolved that a hard and electronic copy of the complete special adjustment budget be submitted to National, Provincial Treasury and Department of Cooperative Governance, Human Settlement and Traditional Affairs respectively for information.</li> </ol>	31 July 2024	The special adjustment budget was approved and implemented.  Budget was relocated and implemented.  Hard & electronic copy submitted to National Treasury & Provincial Treasury & Coghsta	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
The District Integrated Development Planning Framework	Council noted the district IDP framework (2022/23 – 2026/27)	31 July 2024	No action required	
Performance Agreements of the Municipal Manager and Section 56 Managers Pertaining to the 2024/2025 Financial Year	Council noted the performance agreements of the Municipal Manager and section 56 Managers for the 2024/2025 Financial Year	31 July 2024	No action required	
Report on the investigations pertaining a non-payment of income tax liability which has resulted in the municipality incurring penalties as a result of non-compliance	<ol style="list-style-type: none"> <li>Council acknowledged the report and the recommendations by the Researcher.</li> <li>Council refer the matter back to MPAC to allow them to engage with Ms. Moseki on her offer to pay Two Thousand Rands (R 2000.00).</li> <li>The matter must take into account the legalities to its decisions and recommendation, especially on the pension fund recoveries.</li> <li>The item must be treated as a confidential item and tabled in the council meeting.</li> </ol>	27 November 2024	Referred back to MPAC to consider Council's directive	To be retabled in Council
Monthly Finance Report	<ol style="list-style-type: none"> <li>Council noted the report</li> <li>Council mandates the Municipal Public Accounts Committee to investigate the cause of the payments made erroneously and overpayments made by the finance department.</li> </ol>	27 November 2024	Referred to MPAC for investigation	The investigation is still with the MPAC
Writing – Off Redundant Assets	<ol style="list-style-type: none"> <li>Council approved the writing-off of the assets from the attached list of redundant assets per asset category identification, excluding the asset no. FBTO – A003728-00 ( Old Clinic Building – Jan Kempdorp) for the financial year ending 30 June 2025.</li> <li>Council approved that the written-off assets to be donated to local municipalities, non-profit organisations and/ or schools in the Frances Baard District in term of the Asset Management and Supply Chain Management policies.</li> <li>Council approved to write off asset no FBTO – A003728-00 (Old Clinic Building – Jan Kempdorp) as at 30 June 2023, in compliance with GRAP 17.</li> </ol>	27 November 2024	Assets were approved for write-off	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Quarterly Report on Intergraded Development Programme & Performance Management System ( 01 April 2024 – 30 June 2024)	Council noted the report	27 November 2024	No action required	
Third Quarter Municipal Institutional Performance Report 2023/24 Financial Year	Council approved third quarter municipal institutional performance report for the period of 01 January 2024 to 31 March 2024	27 November 2024	No action required	
Fourth Quarter Municipal Institutional Performance Report 2023/2024 Financial Year	Council approved the fourth quarter municipal institutional performance report for the period of 01 April 2024 to 30 June 2024	27 November 2024	No action required	
Municipal Institutional Performance Report 2023/2024 Financial Year	Council approved the municipal institutional annual performance report for the period of 01 July 2023 to 30 June 2024	27 November 2024	No action required	
Annual Financial Statements and Annual Performance Report for the 2023/24 Financial Year.	Council noted the submission of the 2023/24 annual financial statements and annual performance report	27 November 2024	Council noted the submitted AFS & APR	
Outcome of the South African Local Government Bargaining Council: Salary and Wage Negotiations 2024-2029	<ol style="list-style-type: none"> <li>Council noted the report; and</li> <li>Council approved the cost-of-living adjustment and the implementation of the salary and wage collective agreement payable to bargaining council officials, retrospective from 01 July 2024.</li> </ol>	27 November 2024	Councillors upper limits were approved and implemented	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Consideration of Determination of Upper Limits of Salaries, Allowance and Benefits of Different Members of Municipal Councils	<ol style="list-style-type: none"> <li>Council noted its classification as a grade 4 municipality;</li> <li>Council approved the remuneration of its councillors in accordance with Government Notice No. 51407 dated 17 October 2024 with retrospective effect from 01 July 2023;</li> <li>Council approved the payment of a cell phone allowance of R 3600.00 per month to all councillors as set out in items 5 and 8 of the gazette;</li> <li>Council approved the payment of a mobile data allowance of R 317.00 per month to all councillors as set out in items 5 and 8 of the gazette;</li> <li>Council approved the initial payment of the structure of the total remuneration package as set out in the notice and that councillors who prefer to restructure their total remuneration package indicate at the earliest by payroll unit; and</li> <li>Council to obtain the concurrence of the MEC for Cooperative Governance, Human Settlement and Traditional Affairs regarding recommendations 1 – 5 before implementation thereof as stipulated in the preamble of Notice No. 51407.</li> </ol>	27 November 2024	Councillors' upper limits were approved and implemented	
Consideration of Determination of Upper Limits of Salaries, Allowance and Benefits of Different Members of Municipal Councils	<ol style="list-style-type: none"> <li>Council noted of its classification as a grade 4 municipality;</li> <li>Council approved the remuneration of its councillors in accordance with Government Notice No. 51419 dated 21 October 2024 with retrospective effect from 01 July 2024;</li> <li>Council approved the payment of a Cell phone allowance of R 3600.00 per month to all councillors as set out in item 5 and 8 of the gazette;</li> <li>Council approved the payment of a mobile data allowance of R 317.00 per month to all councillors as set out in item 5 and 8 of the gazette;</li> <li>Council approved the initial payment of the structure of the total remuneration package as set out in the notice and that councillors who prefer to restructure their total remuneration package indicate at the earliest by payroll unit; and</li> <li>Council to obtain the concurrence of the MEC for Cooperative Governance, Human Settlement and Traditional Affairs regarding recommendation 1 – 6 before implementation thereof as stipulated in the preamble of Notice No. 51419.</li> </ol>	27 November 2024	Councillors upper limits were approved and implemented	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Frances Baard District Municipality Client Service Charter Review	The item is referred back to pursue the unions to make inputs on Client Service Charter	11 December 2024	No action taken	Charter remained in abeyance, pending LLF sitting
Quarterly Report on Integrated Development & Programme Performance Management System ( 01 July 2024 – 30 September 2024).	Council noted the report.	11 December 2024	No action required	
Request for Contract Extension of a Financial System.	<ol style="list-style-type: none"> <li>Council noted the report.</li> <li>Council rescinded the resolution of Item: FIN 01 07/2024 approved on 31 July 2024;</li> <li>Council approved extension of the current financial system contract of CCG Systems (PTY) LTD for a period of three years commencing 01 January 2025 to 31 December 2027;</li> <li>Council resolved that section 116 (3) of the Municipal Finance Management Act No 56 of 2003 process be followed by giving reasonable notice to the local community of the intention to amend the contract and inviting the local community to submit representation to the municipality; and</li> <li>Council resolved that upon closure of the advert, the municipality manager concludes the Service Level Agreement with the service provider to ensure continuity of a financial system commencing 01 January 2025 for a period of 3 – years.</li> </ol>	11 December 2024	<ul style="list-style-type: none"> <li>Council approved to rescind item FIN01 07/2024</li> <li>Council approved the extension of the financial system for a period of 3 years</li> <li>The extension was advertised in the newspaper as per S116(3) of MFMA</li> <li>SLA was prepared and is currently implemented.</li> </ul>	
Audit Report for the Financial Year Ended 30 June 2024	<ol style="list-style-type: none"> <li>Council noted the unqualified report with no findings as expressed by the Auditor General for the 2023/24 financial year;</li> <li>Council resolved that the audited financial statements, annual performance report and Auditor-General's report be included in the annual report for submission during March 2025 to council as per legislative requirements; and</li> <li>Council to ensure that the final printer's proof of the annual report be submitted to the relevant Senior Manager of the Auditor-General of South Africa for verification purposes.</li> </ol>	22 January 2025	<ol style="list-style-type: none"> <li>Audit report was noted</li> <li>AFS, APR &amp; Audit report were included in the annual report</li> <li>Final annual report was sent to AG for proof reading</li> </ol>	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Draft annual report for the financial year ended 30 June 2024	<ol style="list-style-type: none"> <li>Council approves that the draft annual report for the 2023/24 financial year be published for a period of 21 days for public comments.</li> <li>The draft annual report must be referred to the Municipal Public Accounts Committee for an oversight report and the oversight report be tabled in council no later than end March 2025 for adoption</li> </ol>	22 January 2025	The draft report was advertised for public comments.	
First Quarter Municipal Institutional Performance Report	Council approved the first quarter municipal institutional performance report for the period of 01 July 2024 to 30 September 2024	26 February 2025	No action required	
Second Quarter Municipal Institutional Performance Report	Council approved the second quarter municipal institutional performance report for the period of 01 October 2024 to 31 December 2024.	26 February 2025	No action required	
Mid-Year Performance Assessment 2024/2025 Financial Year.	<ol style="list-style-type: none"> <li>Council noted the mid-term performance report of 01 July 2024 to 31 December 2024.</li> <li>Council approved that there is no need to make changes to the SDBIP</li> </ol>	26 February 2025	No action required	
Mid-Year Budget and Performance Report Adjustments Budget in Respect of the 2024/25 Financial Year.	<ol style="list-style-type: none"> <li>Council approved the report.</li> <li>Council approved the adjustment budget as per recommended resolution tabled.</li> <li>Council approved the adjustment budget of Frances Baard District Municipality for the financial year 2024/25, and indicative for the projected outer years 2025/26 and 2026/27 as set out in the following schedules: <ol style="list-style-type: none"> <li>Adjustment Budget Summary – Tabled B1 (Page 1);</li> <li>Budgeted Financial Performance (Revenue and Expenditure by standard classification) – Tabled B2 (Page 2-3);</li> <li>Budgeted Financial Performance (Revenue and Expenditure by municipal vote) – Tabled B3 (Page 4-5);</li> <li>Budgeted Financial Performance (Revenue and Expenditure) – Tabled B4 (Page 6);</li> <li>Budgeted Capital Expenditure by vote and funding – Tabled B5 (Page 7-8);</li> <li>Budgeted Financial Position – Tabled B6 (Page 9);</li> <li>Budgeted Cash Flows Tabled B7 (Page 10);</li> <li>Cash Backed reserves/accumulated surplus reconciliation – Tabled B8 (Page 11);</li> <li>Asset Management – Tabled B9 (Page 12-13); and a Basic service delivery measurement – Tabled B10 (Page 14).</li> </ol> </li> <li>Council approved that the R 11 000 000.00 from savings from operational &amp; capital expenditures be allocated to our four (4) local municipalities towards their capital and operational expenditures based on their needs.</li> <li>Council rescinds the resolution on COUN 01 06/2024 that Magareng Local Municipality will not receive any allocation should there be savings to allocate to other local municipalities during 2024/25 mid-term assessment and adjustment budget.</li> <li>Subject to four (4) above R 3 000 000.00 is allocated to Sol Plaatje Local Municipality, Phokwane Local Municipality, Dikgatlong Local Municipality and R 2 000 000.00 allocated to Magareng Local Municipality.</li> <li>Council resolved that the other related supporting documentation to the approved budget be updated according to the adjustments made.</li> <li>Council resolved that a hard and electronic copy of the complete adjustment budget be submitted to National Treasury, Provincial Treasury and Department of Cooperate Governance, Human Settlement and Traditional Affairs respectively for information.</li> </ol>	26 February 2025	Mid-year & adjustment budget were approved and implemented	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Quarterly Report – Infrastructure Projects ( 01 October 2024 – 3 December 2024)	<ol style="list-style-type: none"> <li>Council noted the report.</li> <li>Council mandates the infrastructure development committee members to conduct an oversight on projects funded by FBDM.</li> <li>Council resolved that a report on the Energy Efficiency and Demand Side Management (EEDSM) grant on the work done to be presented at the next committee meeting</li> </ol>	26 March 2025	No action required	
Writing off redundant assets	<ol style="list-style-type: none"> <li>Council approved the writing off of the attached list of redundant assets per asset category identification.</li> <li>Council approved, subject to recommendation 1 above, that the assets be donated to local municipalities, non-profit organisations and/or schools in the Frances Baard District in term of the Asset Management and Supply Chain Management Policies.</li> </ol>	26 March 2025	Assets were written off and donated	
Draft annual report for the financial year ended 30 June 2024	<ol style="list-style-type: none"> <li>Council noted the draft annual report.</li> <li>Council noted the oversight report by MPAC.</li> <li>Council approved the 2023/2024 annual report without reservations</li> </ol>	23 April 2025	No action required	
Draft District Integrated Development Plan Review 2024/25 Planning 2025/2026	<ol style="list-style-type: none"> <li>Council approved the draft district IDP ( Review 2024/2025 Planning 2025/2026).</li> <li>The draft district IDP (Review 2024/2025; Planning 2025/2026) must be published for the public comments</li> </ol>	23 April 2025	No action required	
Draft budget for the 2025/26 Financial Year	<ol style="list-style-type: none"> <li>Council resolved that the draft annual budget of the municipality for the financial year 2025/26 and indicative of the projected outer years 2026/27 and 2027/28 be approved as set out in the following schedules: <ol style="list-style-type: none"> <li>Budget Summary – Table A1 (Pg. B1);</li> <li>Budgeted Financial Performance ( Revenue and Expenditure by standard Classification) – Tabled A2 (Pg. B2);</li> <li>Budgeted Financial Performance (Revenue and Expenditure by municipal vote) – Tabled A3 (Pg. B3);</li> <li>Budgeted Financial Performance ( Revenue and Expenditure) – Tabled A4 (Pg. B4)</li> <li>Budgeted Capital Expenditure by vote, standard classification and funding - Table A5 ( Pg. B5);</li> <li>Budgeted Financial Position – Tabled A6 ( Pg. B6);</li> <li>Budgeted Cash Flows - Tabled A7 (Pg. B7);</li> <li>Cash backed reserves/ accumulated surplus reconciliation – Tabled A8 (Pg. B8);</li> <li>Asset Management – Tabled A9 ( Pg. B9-10);</li> <li>Basic service delivery measurement Tabled A10 (Pg. B11).</li> </ol> </li> <li>Council approved the further refinement of the draft budgeted with regards to prescribed supporting documentations and consideration of issues raised in the item before final adoption of the budgeted in May 2025.</li> <li>Council approved to allocate R 7.5 million to Magareng, Dikgatlong and Sol Plaatje Local Municipality towards operation &amp; maintenance of their infrastructure assets. Each municipality will receive R 2.5 million. Phokwane L.M will be allocated R 2.5 million towards a capital project which will be identified by the Executive Mayor for the community of Phokwane Local areas.</li> <li>Council approved to allocate R 1.5 million to assist Magareng &amp; Dikgatlong Location Municipality with their Financial System related expenditures there by enhancing their revenue collection.</li> </ol>	23 April 2025	No action required	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Approval of the Audit Performance and Risk Committee Charter	Council noted the Audit Performance and Risk Committee Charter.	23 April 2025	No action required	
Writing – Off Redundant Assets	<ol style="list-style-type: none"> <li>Council approved the writing off of the attached list of redundant assets per asset category identification;</li> <li>Council approved that the assets be donated to local municipalities, non-profit organisations and/ or schools in the Frances Baard District in term of the Asset Management and Supply Chain Management Policies.</li> </ol> <p>Council noted the report</p>	30 May 2025	Assets were written off and donated	
Progress Report on the Energy Efficiency and Demand Site Management (EEDSM) Project	Council noted the report	30 May 2025	No action required	
District Integrated Development Plan Review 2024/25 Planning 2025/2026	Council approved the review of the Integrated Development Planning for the 2024/2025; and Planning for 2025/2026	30 May 2025	No action required	
Annual budget for the 2025/26 Financial Year	<ol style="list-style-type: none"> <li>Council resolved that the annual budget of the municipality for the financial year 2025/26 as per budget related resolutions of the budget document and indicative for the projected outer years 2026/27 and 2027/28 be approved as set out in the following schedules: <ol style="list-style-type: none"> <li>Budget Summary – Tabled A1 (Pg. B1);</li> <li>Budget Financial Performance ( Revenue and Expenditure by Standard Function Classification) – Table A2 ( Pg. B2 –B3);</li> <li>Budgeted Financial Performance ( Revenue and Expenditure by municipal vote) – Table A3 ( Pg. B4-B5);</li> <li>Budgeted Financial Performance ( Revenue and Expenditure) – Table A4 (Pg. B6 – B7);</li> <li>Budgeted Capital Expenditure by vote, functional standard classification and funding – Table A5 (Pg. B8);</li> <li>Budgeted Financial Position – Tabled A7 ( Pg. B9);</li> <li>Budgeted Cash Flows A7 (Pg. B10);</li> <li>Cash Backed reserves/ accumulated surplus reconciliation – Tabled A8 ( Pg. B11);</li> <li>Asset Management – Tabled A9 ( Pg. B12);</li> <li>Basic services delivery measurement – Tabled A10 (Pg. B13).</li> </ol> </li> <li>Council noted the amended Integrated Development Plan for the budgeted year 2025/26 as a separate item to council;</li> <li>Council approved the measurable performance objectives for revenue, expenditure and capital from each source reflected in Tables SA4 to SA6 for the budget year 2025/26; and</li> <li>Council noted the SDBIP that will be tabled to the Executive Mayor within the prescribed time frame as stipulated in the MFMA.</li> </ol>	<ul style="list-style-type: none"> <li>Annual budget was approved and implemented</li> <li>SDBIP was tabled to the Executive Mayor and signed</li> </ul>		

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Request for the Review of the Approved Process Plan on the Amendment of the Frances Baard Municipal Health By-Law	<ol style="list-style-type: none"> <li>Council takes note of the content of the report.</li> <li>Council approved the revised process plan set out as in Annexure C, in amending the Frances Baard Municipal Health Service By-Law.</li> </ol>	30 May 2025	No action required	
Writing-off Redundant Assets	<ol style="list-style-type: none"> <li>Council Considered The report.</li> <li>Council approved the write-off of assets listed under Annexure 2 (Pg. Fin 1)</li> <li>Council approved that the assets be donated to local municipalities, non-profit organisations and/or schools within the Frances Baard District in terms of the Asset Management and Supply Chain Management policies.</li> </ol>	25 June 2025	Assets were donated as stipulated by council	
Housing Unit: Human Settlements Sector Plan and Chapter of the IDP for the period 2025/2026	Council considered the review of the Human Settlements Sector Plan and Chapter for the IDP for the Financial Year 2025/2026.	25 June 2025	No action required	
Tabling of the Frances Baard Municipal Health Services Draft By-Law and request for the Advertisement of the Draft By-Law for the public comments and consultative workshops	<ol style="list-style-type: none"> <li>Council considered the report and presentation made of the draft By-Law review.</li> <li>Council approved that review of the draft By-Law be published for public comments for a period of 21 days.</li> <li>Council approved that public consultations be held in the four local municipal areas within the jurisdiction of the district municipality.</li> </ol>	25 June 2025	Advertisement placed . Consultative meetings held in all four local municipalities, although some were poorly attended.	

## 2.2 Administrative Governance

As the Accounting Officer, the Municipal Manager is the vital link between the municipality's administration and its political leadership, ensuring that constitutional and legislative mandates are effectively implemented. This role is supported by senior managers (Heads of Departments), who provide strategic advice, administrative guidance, and uphold fiduciary responsibilities.

Council decisions are shaped by informed recommendations from the administration. Policies and strategies undergo thorough consultation and refinement through workshops before submission for Council approval. Oversight of administrative performance is exercised through established governance structures such as the Municipal Public Accounts Committee (MPAC), the Audit Committee, and Section 80 Committees - mechanisms that strengthen transparency and accountability.

The municipality's governance framework is firmly aligned with the principles of good governance, as articulated in the King III and King IV Reports on Corporate Governance. The Audit Committee and Internal Audit Unit play pivotal roles in strengthening internal controls, enhancing compliance, and improving processes and procedures. This framework ensures a governance environment that is transparent, accountable, and compliant with legislative prescripts.

A clear distinction between the roles of political office bearers and officials is maintained, supported by policies and procedures that ensure statutory compliance. This clarity promotes regular oversight, effective monitoring, and accountability, creating an operational environment focused on efficiency, equity, and transparency.

Key internal controls are anchored in leadership, financial management, governance, and performance management. Strategic planning enables the municipality to define priorities, make informed decisions, and engage constructively with stakeholders. Public and stakeholder engagements remain central to strengthening transparency, accountability, and responsiveness to community needs.

Performance management systems are robust and compliant with legislative requirements. All executive managers have signed performance agreements, underscoring their commitment to achieving agreed objectives. Strong emphasis is placed on monitoring and evaluation to ensure continuous improvement and the achievement of performance targets.

The municipality also maintains rigorous governance of its supply chain processes. Regular reviews of the Supply Chain Management Policy safeguard compliance with procurement regulations while promoting fairness, transparency, and accountability in all procurement activities.

Through these measures, the municipality continues to demonstrate its commitment to good governance, efficient service delivery, and the sustainable development of the community it serves.

## 2.2.1 Top Administrative Structure

### Tier 1



Ms ZM Bogatsu  
Municipal Manager

### Tier 2



Ms Onneile Moseki  
Acting Chief Financial  
Officer

Vacant  
Acting Director:  
Administration



Mr Rorisang Setshogoe  
Acting Director:  
Infrastructure Services



Mr Freddy Netshivhodza  
Acting Director: Planning  
& Development

### Tier 3

Third Tier Structure	
Directorate	Manager
Office of the Municipal Manager	Internal Audit Manager, Ms Tamryn Verreyne
	Communications & Media Relations, Ms Gerline Roman
	Office Manager: Committee Services & Administration, Vacant
	Manager: Legal & Compliance, Mr Kgosietsile Matlakala
	Chief Risk Officer: Mr Solomon Pitso
Finance	Assistant Director Budget & Treasury, Ms Onneile Moseki
	Chief Accountant Budget & Support Services, Mr Thabo Tsoali
	Chief Accountant Supply Chain Management, Vacant
	Chief Accountant Income & Expenditure, Ms Adele Groenewald-Shields
Infrastructure Services	Manager: Physical Infrastructure Development, Mr Rorisang Setshogoe
	Housing Manager, Vacant
Planning & Development	Local Economic Development & Tourism Manager, Mr Lesego Ngwira
	GIS Manager, Mr Matthews Makinta
	Snr. Town Planner, Mr Freddy Netshivhodza
	IDP/PMS Manager, Vacant
Administration	Human Resources Manager, Mr Tumelo Ndlazi
	Fire & Disaster Manager, Mr Clifford Jones
	Environmental Health Manager, Mr Kenneth Lucas
	Manager Archives, Records & Support Services, Mr Mngqobi Ngcobo
	ICT Manager, Mr Kagisho Moruri

## 2.3 Intergovernmental Relations

We are required by section 42 of the Constitution to co-operate with organs of state in mutual trust and good faith, and do so through established structures for the promotion of inter-governmental relations. In ensuring provision for services to our local communities, implementation of government programmes and policies, it has become evident that close co-operation between the three spheres of government is essential.

FBDM has, therefore, adopted a shared services model with its local municipalities to ensure that the available budget and technical skills are utilised effectively for the benefit of the entire district. In complying with the intergovernmental relations legislative mandate, FBDM is a member of the following fora:

### District Development Model

The District Development Plan (DDM) was adopted by cabinet on the 21<sup>st</sup> of August 2019 as integrated approach by which the three spheres of government and will private sector work jointly to ensure higher performance and accountability for coherent service delivery and development outcomes. The vision for the district model has been articulated through the slogan: “*One District, One Budget and One Plan*”.

In the absence of the district coordination hub, Frances Baard District Municipality (FBDM) was tasked with facilitation and co-ordination of technical and political meetings, assist with the compilation of the one plan, progress reporting, and collating information on catalytic projects. The stakeholders are required to fully participate in developing and reviewing of the one plan.

The Executive Mayor, the Deputy Minister in the Presidency and the Members of Executive Council serve as the champions of the Frances Baard district DDM. The meetings of the champions are preceded by the technical meeting to the DDM.

### Provincial Intergovernmental Structure

The Premier’s Intergovernmental Forum continues to co-ordinate the matters of mutual interest between the provincial and local government strategic planning, as well fostering development in the province.

### District Intergovernmental Structures

The Executive Mayor convenes the District Intergovernmental Relations Forum which comprises of all local municipalities within the district and all sector departments. The sitting of the DIGF is preceded by the Technical DIGF which is chaired by the Municipal Manager and serves as a support structure to the DIGF.

The District Aids Council is convened and chaired by the Executive Mayor and includes sector departments and all non-governmental organisations in the district. The Council monitors progress in the implementation of government comprehensive plan on HIV/AIDS.

### LED Forum

The LED Forum is a platform (institutional arrangement) where stakeholders (individuals, private organizations, government, NGO’s, CBO’s), within the district gather, with an aim to share information and experiences, pool resources and solve problems which come up in the course of implementing LED projects.

The forum is a platform for dialogue on economic policies of government between, private sector, non-governmental organizations and academia. This will be in addition to discussing important issues affecting the municipality. Moreover, the forum contributes to the process of finding appropriate solutions, through conveying recommendations to decision makers in both the executive and legislative authorities and to the business associations and economic media.

District municipalities are better positioned to provide a co-ordinating and supporting role to the local municipalities within their broad geographic areas. They have the following direct responsibilities:

- Plan and co-ordinate LED strategies within the frameworks of IDP;
- Co-ordinate LED policies, strategies and projects within the district;
- Identify lead LED sectors that can kick-start development within districts by undertaking economic research and analysis;
- Promote joint marketing, purchasing and production activities;
- Promote networking of firms within the district;
- Collect and disseminate information to assist local municipalities with LED policies;
- Identify resource availability (e.g. grants, land, infrastructure, etc.);

- Maintain a strong relationship with the province; and
- Provide the necessary training to municipalities.

### District Communications Forum

The District Communications Forum constituted by all communicators within the district to meet and share best practices that would ensure good communication within the district.

The main objectives of the district communications forum are to:

- Facilitate communications amongst three (3) spheres of government;
- Create opportunities to government officials to exchange competencies, knowledge and experience;
- Gather and compile relevant information for distribution amongst members;
- Encourage professionalism, co-operation and support between spheres of government;
- Promote training and capacity building through workshops, conferences, study tours, presentations or any other means with regards to official matters; and
- In general to promote the interest of the South African government and its objectives.

## 2.4 Public Accountability and Participation

Our stakeholder engagement programmes create opportunities for the political office bearers to interact with communities and sharing of information about what government, in particular, the district municipality is doing to improve and add to the improvement of the lives of the community.

The district municipality collaborates with local municipalities and sector departments in the area of jurisdiction of the municipality. This programme assist the district municipality enable good governance and strife for sustained service delivery.

### 2.4.1 IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

## 2.4.2 By-laws

By-laws introduced during 2023/24					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
None	Municipal Health By-law (includes Municipal Health Services, Air Quality Management and Noise Control)	Not completed	n/a	No	n/a

## 2.5 Corporate Governance

The municipal council and the administration play a vital role in ensuring a good corporate governance for the municipality. Council and its committees hold the administration accountable through monthly and quarterly reporting. Council is the highest decision making body and decisions taken by Council flow from recommendations made by the administration. Committees of council sit on a monthly basis to receive reports from the administration and this enables oversight. The Municipal Public Accounts Committee (MPAC), the Audit Committee ensure that there is a focused oversight over the work performed by the administration. The accounting officer and executive management ensure that it complies with the principles of good governance and has improved its internal controls, procedures and processes. Internal audit, risk management as well as the audit, performance and risk committee provides both management and council with an assurance in the areas of performance, risk and the management of the resources of the municipality.

### 2.5.1 Supply Chain Management

The municipality has put in place controls and system on supply chain management within the overall framework of the Municipal Finance Management Act and its regulation, as well as the Preferential Procurement Framework Act. All bid committees are operational and we strive to ensure that we adhere to the constitutional principles of competition, transparency, fairness and equity in all our supply chain management activities.

#### Competency levels

The following officials possess minimum competencies as required in terms of sections 83, 107 and 119 of the MFMA:

1. The Accounting Officer;
2. The Acting Chief Financial Officer;
3. The Manager: Supply Chain Management;
4. The Manager: Budget & Treasury Office;
5. The Manager: Income & Expenditure;
6. Accountant: Supply Chain Management;
7. Accountant: Income & Expenditure;
8. Administrator: Creditors; and
9. Clerk: Supply Chain Management.

### 2.5.2 Risk Management

- Management of risks

Our risk management systems and processes ensure compliance with the prescripts of the MFMA. The accounting officer have a legal duty to maintain effective, efficient, and transparent systems of financial and risk management and internal controls. The risk management unit is positioned under the office of the Municipal Manager who provides a strategic direction on the management of organisation's risks.

This function is also a shared and support services, provided by FBDM at no cost, to both Dikgatlong and Magareng local municipalities.

The risk management policies and strategies were adopted by council and are continuously being implemented. The FBDM is on a journey to become a risk intelligent municipality through adoption and implementation of National Treasury's Risk Maturity Model.

- Good Governance

The risk management processes of the FBDM were evaluated by the APRC to be adequate and effective during the year under review. The risk registers of the municipalities were reviewed and compiled timeously and allowed business managers to take control of action plans to mitigate the impact of identified risks. To this end, strategic and operational risks have been identified and mitigation plans put in place to ensure that the municipality is able to proactively manage risks before occurring and those which might have occurred are treated effectively to be within tolerable levels.

- Fraud, Anti-Corruption and Whistleblowing

The municipality has, for the year under review, identified and addressed potential fraud and corruption risks which may impact on the achievement of its objectives. These fraud risk assessments were performed across the board and corrective measures were taken to close the gap through treatment plans which were monitored quarterly. The municipality adopted the fraud prevention policies and strategies that are implemented with a response plan to fight any occurrences of this within the municipality. The main mechanism available to officials and councillors of FBDM and the public is to report suspected fraud, corruption, or maladministration through the National Anti-Corruption Hotline. This hotline offers a toll-free number of 0800 701 701 which is available 24-hours a day, seven days a week and services are offered in 11 official languages.

- MFMA Section 32 Investigations

There were no alleged incidents of unauthorised, irregular, fruitless, and wasteful expenditure reported during the year under review. All prior year incident(s), including those that were raised by the Office of Auditor General, were finalised and concluded through council resolution(s) and disclosed in the annual financial statements.

- Ethics

The executive management sets an ethical tone at the top and this influences how FBDM officials respond to identified ethical challenges. Capacity building workshop(s) were held, and discussions were based on the implementation of the anti-corruption in local government and the code of ethics for senior managers and councillors.

### 2.5.3 Website

<b>Municipal Website: Content and currency of material</b>		
<b>Documents published on the Municipality's Website</b>	<b>Yes / No</b>	<b>Publishing date</b>
Current annual and adjustment budgets and all budget-related documents	Yes	Jul 2024 - June 2025
All current budget-related policies	Yes	As and when reviewed
The previous annual report (2023/24)	Yes	March 2025
The annual report (2024/25) to be published	Yes	Apr 2026
All current performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act (2024/25) and resulting scorecards	Yes	Aug 2024
All service delivery agreements (2024/25)	Yes	Jun 2025 (SDBIP)
All long-term borrowing contracts (2024/25)		Jun 2025
All supply chain management contracts above a prescribed value (above R200,000) for 2024/25	Yes	Jun 2025
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2022/23	Yes	List of disposed assets placed on website
Contracts agreed in 2024/25 to which sub-section (1) of section 33 apply, subject to sub-section (3) of that section	Yes	June 2025
Public-private partnership agreements referred to in section 120 made in 2023/24	Yes	June 2025
All quarterly reports tabled in the council in terms of section 52 (d) during 2023/24	Yes	Loaded directly after adoption by Council

# Chapter 3 - Service Delivery Performance

## 3.1 Infrastructure / Basic Services (KPA 1)

Objective	Outcome		
	Indicator	Unit of measure	Annual Target
To assist LM's with infrastructure upgrading, operations and maintenance	Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district	Project lists	4x Project lists from the LMs for 2025/26
	Amount spent on support for operations and maintenance of infrastructure in the LMs (O&M)	Amount spent (R)	Total spending of annual allocated budget (R15,000,000.00)
	Number of monitoring reports developed to support with infrastructure operations and maintenance in the LMs	Number of monitoring reports	4 x monitoring reports
To create job opportunities for the unemployed through the promotion of EPWP principles	Number of full-time equivalents (FTEs) created as per DoRA	Number of FTEs created	17 FTEs
To support improved infrastructure planning in the district	Percentage progress on the implementation of the RRAMS project to support improved infrastructure planning in the LMs as per the approved business plan	% progress on implementation	100% Implementation of the approved business plan
To support the provision of potable water, sanitation facilities, electricity and streets and stormwater households in the district	Amount spent on support for capital infrastructure projects in the LMs	Amount spent (R)	Total spending of annual allocated budget (R6,000,000.00)
	Number of monitoring reports developed to support with capital infrastructure projects in the LMs	Number of monitoring reports	2x monitoring reports
To implement Energy Efficiency and Demand Side Management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency	Percentage implementation of the EEDSM project as per the annual business plan	% Progress on implementation	100% Implementation of the business plan
To facilitate the reduction of the Housing backlog	Number of human settlements sector plans reviewed	Number of sector plans reviewed	4 sector plans reviewed
	Number of progress reports for the facilitation of the subsidy application process	Number of reports	4 progress reports
Monitoring of human settlements development in 3 LMs	Number of accreditation reports submitted to COGHSTA and National Department of Human Settlements	Number of reports	16 reports

Deliver basic services to communities. We continue to play a vital supportive and facilitative role, providing financial assistance, technical advisory services, and operational and maintenance support to enhance service delivery within these municipalities. This support is intended to improve the delivery of basic services entrusted to local municipalities.

The support function entails engineering technicians to ensure that the district municipality maintains consistent and practical assistance to local municipalities.

### 3.1.1 Capital Programme

The Capital Programme forms an integral part of the district's development strategy, aimed at improving infrastructure and strengthening service delivery across the four local municipalities. It supports local municipalities to acquire and upgrade infrastructure assets necessary for effective service provision.

For the reporting year R6m was allocated to the Dikgatlong, Phokwane and Magareng local municipalities through adjustment budget for capital projects. This amount was divided equally among the three local municipalities to support their ongoing infrastructure development projects.

Municipality	Allocation	Amount spent	Rolled over to 2025/26
R '000			
Dikgatlong	2,000	2,000	0
Magareng	2,000	2,000	0
Phokwane	2,000	0	0
<b>TOTAL</b>	<b>6,000</b>	<b>4,000</b>	<b>0</b>

### 3.1.2 Operation and Maintenance

Allocations are made to support the operation and maintenance (O&M) of municipal infrastructure to ensure effective service delivery. The original budget provided funding of R10 million for the operation and maintenance programme. This grant was allocated equally between the four (4) local municipalities.

An additional R5 million was provided in the adjustment budget to projects in the local municipalities as follows:

Municipality	Project Description	Allocation	Amount spent
R '000			
Dikgatlong	Operation and Maintenance	3,500	3,500
Magareng	Operation and Maintenance	2,500	2,500
Phokwane	Operation and Maintenance	3,500	2,500
Sol Plaatje	Operation and Maintenance	5,500	5,500
<b>TOTAL</b>		<b>15,000</b>	<b>14,000</b>

### 3.1.3 Project Management & Advisory Services (KPA 1)

Employees: Programme Management & Advisory Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	2	2	2	0	0
14 - 18	4	5	4	0	0
19 - 26	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2024/25: Programme Management & Advisory Services					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 623	8 103	8 103	7 792	4%
Expenditure:					
Employees	3 312	4 655	4 140	3 916	5%
Repairs and maintenance	–	–	–	–	–
Other <sup>1</sup>	36 341	18 289	29 319	25 845	12%
<b>Total Operational Expenditure</b>	<b>39 653</b>	<b>22 944</b>	<b>33 459</b>	<b>29 761</b>	<b>11%</b>
<b>Net Operational Expenditure</b>	<b>36 030</b>	<b>14 841</b>	<b>25 356</b>	<b>21 969</b>	<b>13%</b>

Special Projects Expenditure 2024/25: Programme Management & Advisory Services					
R '000					
Special Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value <sup>2</sup>
<b>Total All</b>	<b>8,103</b>	<b>0</b>	<b>8,072</b>	<b>0%</b>	<b>8,072</b>
Implementation of the Rural Roads Asset Management System (RRAMS)	2,829	0	2,798	-1%	2,798
Expanded Public Works Programme (EPWP)	1,274	0	1,274	0%	1,274
Energy efficiency and demand side management (EEDSM)	4,000	0	4,000	0%	4,000

1. Includes the major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

2. The total project value indicates the total cost of the project upon completion and the amounts in the actual expenditure column is what was spent thus far. Projects implemented over a number of years will show actual expenditure less than the total project value. It indicate that the project is running over more than one year and will be completed in the outer years.

The projects listed above are explained as follows:

### Rural Roads Asset Management System (RRAMS)

The Rural Road Asset Management System (RRAMS) grant, as provided for in the Division of Revenue Act (DoRA), is aimed at supporting municipalities in establishing and maintaining effective road asset management systems, with a specific focus on rural areas. Through this programme, municipalities are able to assess and document the extent and condition of their road networks. This information is used as a planning tool to guide the upgrading, rehabilitation, and ongoing maintenance of municipal streets. All road and traffic data is collected in accordance with the Road Infrastructure Strategic Framework for South Africa (RISFSA), ensuring consistency with national standards. The district first embarked on this programme in the 2015/16 financial year and continues to participate actively. For the 2024/25 financial year, an allocation of R2 829 000.00 has been received to implement the RRAMS. A service provider has been appointed to deliver on this programme under a three-year contract covering the period 2024/25 to 2026/27. This year marks the district's fourth full cycle of involvement in RRAMS, reflecting both its long-term commitment to the initiative and the importance placed on sustainable road infrastructure management.

### Expanded Public Works Programme (EPWP) Projects

The incentive grant of to R1,274,000 was allocated for the year under review. This is utilised to support employment creation through various projects, with all expenditure and work opportunities reported to the Department of Public Works and Infrastructure as well as captured on the National EPWP Reporting System. For the 2024/25 financial year the target is 17 Full Time Equivalents (FTE) as per the project list submitted to Department of Public Works.

- Youth Entrepreneurship Development Programme (YEDP)**

The youth entrepreneurship development programme continue to capacitate young graduates in career development with workplace experience and professionalism enhancement. We employ graduates for periods of up to twenty-four (24) months in the following sectors: Local Economic Development (LED) Performance Management Systems (PMS) and Tourism. The project is based at the main office in Kimberley and started in July 2024.

- Brick Production, Dikgatlong**

This project focuses on the production of interlocking bricks and kerbs using labour and raw materials; cement sand and crushed stone. Interlocking bricks produced are to be used for future roads projects to improve the infrastructure of Dikgatlong Local Municipality. The project is based in Barkly West and started in July 2024.

- Brick production, Magareng**

This project focuses on the production of interlocking bricks and kerbs using labour and raw materials; cement, sand, and crushed stone. Interlocking bricks produced are to be used for future roads projects to improve the infrastructure of Magareng Local Municipality. The Supply Chain Management (SCM) processes have been successfully completed. The purchase of the machinery has been finalized, amounting to an additional expenditure of R149,752.00. This is based in Warrenton and started in November 2024.

Project description	Budget (R '000)	Actual expenditure (R '000)	Labour			Project status
			M	F	D	
<b>EPWP Projects</b>						
Youth entrepreneurship development programme	383	275	2	9	0	Project is complete
Brick production and laying, Dikgatlong	444	324	12	5	1 (male)	Project is complete
Brick production, Magareng	447	360	11	3	0	Project is complete
<b>TOTAL</b>	<b>1,274</b>	<b>1,274</b>	<b>25</b>	<b>17</b>	<b>1</b>	

- **Energy efficiency and demand side management (EEDSM)**

EEDSM programme is funded by the Department of Electricity and Energy and is a conditional grant. To promote energy efficiency and reduce energy consumption within municipalities within the district. This is achieved through the retrofitting of:

- Streetlights to LEDs;
- Lights in municipal buildings; and
- Water and wastewater pumps at plants.

The service provider has been appointed for a 3-year period. The budget for the first financial year is R4 million.

### 3.1.4 Housing (KPA 1)

The District Municipality continues to provide the administration of subsidies and the provision of quality assurance services within the building inspectorate function. Our building inspector plays a vital role in assisting the Magareng and Dikgatlong local municipalities by reviewing, processing, and recommending building plan approvals or corrections. This work forms part of the broader building control process, which ensures that all structures comply with applicable building regulations and municipal by-laws, while also identifying non-compliant or unregistered structures. For the 2024–2028 period, the District has developed the Human Settlements Sector Plans and corresponding Integrated Development Plan (IDP) chapters for Dikgatlong, Magareng, and Phokwane Local Municipalities, as well as the integrated sector plan and chapter for the Frances Baard District Municipality, which includes the Sol Plaatje Local Municipality. The Human Settlements Sector Plans are comprehensive strategic documents that guide the development, coordination, and management of housing and related infrastructure over a five-year cycle. They are reviewed annually to ensure they remain relevant and responsive to emerging community needs. Key focus areas of these plans include:

- **Long-term Vision:** Establishing a strategic framework for sustainable housing development over a five-year period.
- **Annual Review:** Enabling adjustments based on updated data, emerging trends, and evolving local priorities.
- **Compliance and Alignment:** Ensuring consistency with national housing policies, legislative frameworks, and municipal development objectives.
- **Resource Allocation:** Guiding the equitable distribution of financial and technical resources to support human settlement projects.
- **Performance Monitoring:** Tracking implementation progress and evaluating the impact and effectiveness of strategies and programmes.

Function	Brief Description
Projects initiation, planning and approval	This involves the identification of new projects, conducting feasibility studies, preparing business plans for funding and facilitating the approval process
Project/Programme Management and contract administration	Management of the different housing programmes being implemented; monitoring the overall performance against the project plan and cash flow; ensuring that contractual obligations are fulfilled by all parties involved
Subsidy administration	Administration of the Housing Subsidy System on behalf of the Municipalities; provide a list of approved beneficiaries to the contractor; rectify any errors on the system; assist applicants with the completion of subsidy forms; conduct housing consumer education sessions to capacitate and create awareness amongst the communities
Quality Assurance	Enforcement of the National building regulations, norms, and standards in respect of all buildings
Housing backlog identification and quantification	Through the National Housing Needs Register (NHNR), identify and quantify the housing backlog per municipality
Capacity Development	Provide capacity to communities through the Housing Consumer Education programme. Municipal housing officials are also capacitated, more specifically on housing administration and project management

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Annual Target
To facilitate the reduction of the housing backlog	Number of human settlements sector plans reviewed	Number of sector plans reviewed	4x sector plans reviewed
	Number of progress reports for the facilitation of the subsidy application process	Number of reports	4x progress reports
Monitoring of human settlements development in 3 local municipalities	Number of accreditation reports submitted to COGHSTA and National Department of Human Settlements	Number of reports	16x reports

Employees: Housing Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13*	4	4	4	0	0
14 - 18**	0	0	0	0	0
19 - 26	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

8 posts unfunded, Housing Manager post also frozen.

Financial Performance 2024/25: Housing Services					
					R'000
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	2 958	2 353	2 353	2 381	101%
Repairs and maintenance	-	-	-	-	0%
Other <sup>1</sup>	501	1 050	1 050	1 016	97%
<b>Total Operational Expenditure</b>	<b>3 458</b>	<b>3 403</b>	<b>3 403</b>	<b>3 396</b>	<b>100%</b>
<b>Net Operational Expenditure</b>	<b>3 458</b>	<b>3 403</b>	<b>3 403</b>	<b>3 396</b>	<b>100%</b>

1. Includes the major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

## 3.2 Planning and Development

The planning and development department consists of four functions which provide support and shared services to the local municipalities in the district

### Spatial Planning (KPA 3)

The district continues to ensure that local municipalities (LMs) comply with the provisions of the Spatial Planning and Land Use Management Act (SPLUMA). During the year under review, the following key activities were undertaken:

- The District Municipal Planning Tribunal (DMPT), initially established in November 2016 for a five-year term, concluded its first term on 15 November 2021. A new five-year term commenced on 06 June 2022, and the Tribunal has since been fully operational.
- The Nodal Plan for Phokwane was successfully developed and finalized by the end of the financial year.

### Geographic Information System (GIS) (KPA 3)

The GIS unit continues to play a critical role in providing spatial information to stakeholders for effective planning and resource allocation. For the 2024/25 financial year, the following activities were undertaken:

- Technical Support: Provided ongoing GIS support to Dikgatlong, Phokwane, Magareng, and Sol Plaatje Local Municipalities in response to various spatial data and mapping-related queries.
- Land Audit and Cadastral Updates: Successfully completed the land audit and cadastral data updates for Dikgatlong, Phokwane, and Magareng Local Municipalities.
- Technology Procurement: Procured an Unmanned Aerial Vehicle (UAV) for Frances Baard District Municipality, intended for use in monitoring, data collection, and spatial planning applications.

### Local Economic Development (LED) and Tourism (KPA 2)

The district municipality assists local municipalities to perform their local economic development and tourism functions. This includes the development of SMMEs and promotion of tourism for growth in the district. The municipality achieved the following:

- Hosted the Global Entrepreneurship Week to promote SMMEs development;
- Hosted local expo at the Diamond Pavilion in Kimberley to create a platform for 12 SMMEs to promote their products and services.
- Supported 10 SMMEs with machinery and equipment grant;
- Conducted an evaluation of informal traders within the four local municipalities;
- Attended Indaba trade Expo in Durban to exhibit products and services offered within the district.
- Hosted the tourism association and quarterly forums;
- Conducted school tourism business plan competition;
- Conducted tourism awareness campaign in the district;
- Conducted N12 tourism promotional campaigns;
- Marketed the district in renowned tourism magazines.
- Hosted Inaugural HIV/AIDS benefits concert.

In discharging its mandate, the district municipality encounters operational challenges. These include:

- Infrastructure dilapidation and poor capital investment which impede on economic development and job creation.
- Limited capacity in the local municipalities to facilitate the implementation of the spatial planning projects.
- Limited buy-in by stakeholders and this causes delays in project implementation and negatively affects expenditure of the allocated budget for the projects.
- Local municipalities lack resources and are embedded with weak institutional capacity to implement and enforce the approved plans.

### Performance Management System (PMS) and Integrated Development Planning (IDP) (KPA 3)

FBDM has a statutory mandate to support and assist local municipalities within its area of jurisdiction to strengthen its PMS function and to support local municipalities in the development of their IDPs. The PMS and IDP unit support the local municipalities in the following:

- Quarterly steering committee meetings and representative forum to ensure constant engagement and consultations with local municipalities on implementation of PMS and development of their IDPs.
- Functional representative forum to encourage collaboration and dialogue between the municipality and stakeholders. The exchange of ideas and concerns will contribute to the development of a more inclusive and responsive IDP, ensuring that community needs are addressed.
- To assess and provide an analysis report on the IDP and SDBIP of local municipalities. This exercise assists with the development of the IDP and SDBIP.

### 3.2.1 Spatial Planning (KPA 3)

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To facilitate the development of urban and rural areas in accordance with the relevant legislation.	Percentage of land development applications received from LMs processed	% Progress	100% processed applications received
	Percentage development of a Nodal Plan for Phokwane LM	% Progress	% Development
	Percentage progress on the development of a precinct plan for Magareng LM	% Progress	% Development of a precinct plan

Employees: Spatial Planning Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	1	1	1	0	0
14 - 18	3	3	3	0	0
19 - 26	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2024/2025: Spatial Planning Services					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	–
Expenditure:					
Employees	1 971	1 725	1 725	1 740	-1%
Repairs and Maintenance	–	–	–	–	-
Other <sup>1</sup>	449	619	556	449	19%
<b>Total Operational Expenditure</b>	<b>2 420</b>	<b>2 344</b>	<b>2 281</b>	<b>2 189</b>	<b>4%</b>
<b>Net Operational Expenditure</b>	<b>2 420</b>	<b>2 344</b>	<b>2 281</b>	<b>2 189</b>	<b>4%</b>

Special Projects Expenditure 2024/2025: Spatial Planning Services					
					R' 000
Special Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>450</b>	<b>0</b>	<b>426</b>	<b>-6%</b>	<b>426</b>
District Municipal Planning Tribunal (DMPT).	50	0	26	-92%	26
Phokwane Nodal Plan	400	0	400	0%	400

### District Municipal Planning Tribunal (DMPT)

The DMPT continues to receive and decide upon categories of land use and land development applications. For the 2024/25 financial year 54 applications were received which includes the relaxation of building lines and parking, township establishments, rezoning, sub-divisions, consolidations, relaxation of building lines, consent use application for the purpose of a telecommunication mast and a base station and the removal of the title deeds conditions.

### Phokwane Nodal Plan

The Phokwane Municipality Spatial Development Framework, 2014 proposes that Phokwane area be developed as an Agri-processing, manufacturing nodes, community services, green/eco-tourism nodes, residential nodes, industrial nodes and transport nodes to capitalise on Vaal River and the intersecting N12.

## 3.2.2 Geographic Information System (GIS) (KPA 3)

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To promote the use of GIS as a tool in the district	Percentage access and maintenance of GIS in the district	% Progress	Land audit

Employees: Geographic Information System Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
<b>1 - 3</b>	0	0	0	0	0
<b>4 - 8</b>	0	0	0	0	0
<b>9 - 13</b>	1	1	1	0	0
<b>14 - 18</b>	1	1	1	0	0
<b>19 - 26</b>	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2024/2025: Geographic Information System Services						R'000
Details	2023/24	2024/25				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	–	–	–	–	–	
Expenditure:						
Employees	1 528	1 849	1 849	1 667	10%	
Repairs and Maintenance	–	–	–	–	–	
Other <sup>1</sup>	187	862	862	592	31%	
<b>Total Operational Expenditure</b>	<b>1 715</b>	<b>2 711</b>	<b>2 711</b>	<b>2 259</b>	<b>17%</b>	
<b>Net Operational Expenditure</b>	<b>1 715</b>	<b>2 711</b>	<b>2 711</b>	<b>2 259</b>	<b>17%</b>	

### 3.2.3 Local Economic Development (KPA 2)

FBDM aims at creating and enabling environment for LED and SMME's to do well in the district and create the necessary employment that we need in the district. Partnering with various stakeholders, most importantly communities, is key in making sure that projects materialised in our communities. LED plays a major role in making sure that we stimulate the district economy, create and support new enterprises, redistribution of available resources so that we can alleviate the triple challenges of poverty, unemployment and inequality.

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To support the development of a diverse and innovation driven local economies	Number of programmes completed aimed at the diversification of the district economy	Number of programmes completed	2x programmes
To support the development of learning and skilful economies	Number of programmes completed aimed at developing learning and skilful economies	Number of programmes completed	2x programmes
To facilitate the development and support of enterprises	Number of programmes completed aimed at developing enterprises	Number of programmes completed	2x programme
To facilitate the development of inclusive local economies	Number of evaluations conducted aimed at developing inclusive economies	Number of evaluations	4x evaluations

1. Includes the major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Employees: Local Economic Development / Tourism Services					
Job Level	2023/24	2024/25			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	2	2	2	0	0
9 - 13	2	2	2	0	0
14 - 18	2	3	3	0.28	9%
19 - 26	0	0	0	0	0
Interns*					
<b>Total</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>0.28</b>	<b>4%</b>

Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. \*The interns are not counted as part of the permanent staff for the unit. Eight (8) interns were terminated during the 2021/22 financial year.

Financial Performance 2024/25 Local Economic Development Services						R'000
Details	2023/24	2024/25				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	–	–	–	–	–	
Expenditure:						
Employees	2 644	3 576	3 606	3 096	86%	
Repairs and Maintenance	–	–	–	–	–	
Other <sup>1</sup>	997	3 031	3 031	1 524	50%	
<b>Total Operational Expenditure</b>	<b>3 642</b>	<b>6 607</b>	<b>6 637</b>	<b>4 620</b>	<b>70%</b>	
<b>Net Operational Expenditure</b>	<b>3 642</b>	<b>6 607</b>	<b>6 637</b>	<b>4 620</b>	<b>70%</b>	

Special Projects Expenditure 2024/2025: Local Economic Development Services						R' 000
Special Projects	2024/25					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	1,650	0	1,458	-13%	1,458	
FBDM Global Entrepreneurship Week	650	0	556	-17%	556	
Local Expo (Pop-up Market)	50	0	27	-85%	27	
Diamonds and Dorings	150	0	150	0%	150	
Machinery and Equipment	800	0	725	-10%	725	

### FBDM Global Entrepreneurship Week

The annual entrepreneur week was hosted from 20 to 22 November 2024. This was to offer SMMEs an opportunity to provide information, funding opportunities and access to markets and competitiveness.

### Local Expo (Pop-up Market)

The FBDM hosted a local expo on the 28 and 29 March 2025 at the Diamond Pavilion Mall. This objective creates a platform for local SMMEs to showcase, market, and promote their products and services to a wider local audience. Twelve SMMEs were invited to participate, gaining valuable exposure, networking opportunities, and the chance to engage directly with potential customers. This will stimulate local economic development and support entrepreneurship within the district.

### Diamonds and Dorings

FBDM attended this year's Diamonds and Dorings festival hosted on the 20th of April 2025 in support of local economic development and tourism. The soulful performances to local flair, the festival brought people together from all walks of life to enjoy the heartbeat of our district. The event took place at Diamond Oval Cricket Stadium (Cassandra) and we utilised this opportunity to market the district.

### Machinery and Equipment Programme

The Machinery and Equipment programme is a support initiative for small, medium, and micro enterprises (SMMEs) in the Frances Baard District. The programme helps eligible SMMEs with machinery and equipment to improve their operations. This in turn will enhance productivity, growth, and competitiveness of SMME's. The handover of the machinery and equipment took place at the respective local municipalities and the Frances Baard District Municipality on the 29th of May, 3rd and 12th of June 2025.

Jobs Created during 2024/25 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2022/23	5	0	5	Registers
2023/24	4	0	4	Registers
2024/25	8	0	8	Registers

#### 3.2.3.1 Tourism (KPA 2)

Tourism is one of the economic drivers for the district due to its rich history and heritage. We therefore continue to enhance our key performance area on the promotion and development of tourism in the district.

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To promote tourism in the Frances Baard District	Number of programmes completed aimed at upgrading, restoration and promoting tourist attractions	Number of programmes completed	6x programmes
	Percentage implementation of annual action plan to facilitate strategic partnerships and participation of tourism role players	% Implementation	100% implementation of the action plan

Special Projects Expenditure 2024/2025: Tourism					
					R' 000
Special Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	865	27	762	-14%	762
Awareness Campaign	47	0	9	-422%	9
Tourism Promotion	40	0	15	-167%	15
Business Plan Competition	449	23	453	1%	453
Tourism Association	5	4	9	44%	9
Indaba Trade Expo	324	0	276	-17%	276

The following projects were implemented during the 2024/25 financial year:

- Awareness Campaign – Digital Empowerment for SMMEs - In November 2024, FBDM hosted tech-savvy workshops in Kimberley, targeting tourism SMMEs. These workshops were aimed at equipping participants with the necessary digital knowledge and skills to enhance their business operations and improve online visibility.
- N12 Promotion Campaign - Held successfully from 12–13 December 2024, the campaign aimed to promote the N12 route and position the district as a preferred holiday destination. Activities focused on encouraging road travel and showcasing key attractions along the route.
- Tourism Promotion Advertising - Strategically placed advertisements in a renowned tourism publication helped highlight the district’s tourism offerings and services, effectively reaching and informing potential domestic and international visitors.
- Schools Business Plan Competition - Seven schools participated in the 2024 Schools Business Plan Competition, with a focus on cultivating entrepreneurial skills among youth. The award ceremony was held on 06 December 2024 in Kimberley, celebrating innovation and creativity among learners.
- Tourism Association Engagement - To strengthen stakeholder collaboration, quarterly tourism association meetings were held across the district. These gatherings facilitated dialogue, feedback sharing, and the alignment of tourism development efforts with stakeholder needs.
- Indaba Trade Expo Participation - The municipality secured an exhibition space to showcase the district tourism offerings at the Indaba Trade Expo which was held in Durban in May 2025. This opportunity promotes the district’s tourism offerings to the domestic and international trade partners.

### 3.3 Corporate Services

#### 3.3.1 Environmental Health (KPA 3)

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To monitor and enforce national environmental health norms and standards in the Frances Baard District	Percentage Implementation of municipal health by-laws	Percentage implementation	100% Implementation of by-laws
	Number of water samples collected and analysed to monitor water quality	Number of samples collected and analysed	480 samples collected
	Number of inspections at food premises to determine food safety	Number of inspections conducted	700 inspections completed
	Number of surface swabs collected for analyses for diseases and other health risks	Number of surface swabs collected & analysed	180 swabs collected
	Number of food handlers trained on environmental health requirements	Number of food handlers trained	420 food handlers trained
	Number of inspections conducted at non-food premises to determine health safety	Number of inspections conducted	392 inspections
	Percentage progress on the development of the environmental health tariff policy	Percentage implementation	Developed policy
To implement and monitor environmental planning and management in the Frances Baard District	Number of awareness campaigns conducted	Number of campaigns implemented	84 awareness campaigns implemented
	Number of environmental calendar days celebrated	Number days celebrated	7 environmental calendar days celebrated
	Number of atmospheric emissions inventory updates performed	Number of updates performed	4 updates performed
	Number of ambient air quality monitoring reports	Number of reports	4 monitoring reports
	Percentage implementation of the climate change project	Percentage implementation	Implemented climate change project

Employees: Environmental Health Services					
Job Level	2023/24		2024/25		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	0	0	0	0	0
14 - 18 *	8	8	8	0	0
19 - 26	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June. Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2024/25: Environmental Health Services					
					R'000
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	–
Expenditure:					
Employees	6 342	6 791	6 791	7 062	-3.99%
Repairs and Maintenance	–	–	–	–	–
Other <sup>1</sup>	4 639	5 707	5 793	5 184	10.51%
<b>Total Operational Expenditure</b>	<b>10 981</b>	<b>12 498</b>	<b>12 584</b>	<b>12 246</b>	<b>2.69%</b>
<b>Net Operational Expenditure</b>	<b>10 981</b>	<b>12 498</b>	<b>12 584</b>	<b>12 246</b>	<b>2.69%</b>

Special Projects 2024/25: Environmental Health Services					
					R' 000
Special Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>743</b>	<b>749</b>	<b>507</b>	<b>-47%</b>	<b>507</b>
Environmental calendar days	12	15	13	8%	13
Awareness campaigns	18	21	15	-20%	15
Water quality monitoring	578	0	396	-46%	396
Surface swabs	135	0	83	-63%	83

#### a) Environmental calendar days

Seven (7) environmental calendar days were commemorated to create awareness among communities and learners on the importance of conserving present resources like water for the benefit of current and future generations. The following calendar days were celebrated:

- **World Recycling day**

The theme was “Recycling Heroes.” and communities were encouraged to take responsibility for protecting the environment for future generations by actively practicing recycling — turning waste into valuable new products. Participants were reminded that effective recycling begins at home and that up to 75% of household waste can be recycled if done correctly.

- **Zero emissions day**

The event was commemorated under the themes “Give Our Planet One Day Off a Year” and “Our Land. Our Future. We Are Generation Restoration.” Communities were encouraged to reduce their use of fossil fuels for a day to emphasize the impact of carbon emissions and to promote the importance of sustainable energy and environmental action.

- **World Environmental Health day**

Communities were sensitized in line with the theme “Creating communities through disaster risk reduction and climate change mitigation and adaptation” on how vulnerability and exposure to disaster risks and climate change impacts are largely influenced by social, cultural, economic, and political factors. Information was also shared on measures to mitigate or prevent factors that could lead to disasters.

<sup>1</sup> Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

- **Global handwash day**

The theme was “Why Are Clean Hands Still Important?” which highlighted the ongoing importance of proper hand hygiene in preventing infections. The critical role of handwashing was emphasized, particularly in the aftermath of the COVID-19 pandemic, as a first line of defense against disease. Communities were further encouraged to practice regular handwashing under the slogan “Why Is Sharing Knowledge About Hand Hygiene Still So Important?” to help prevent the spread of harmful germs.

- **World food day**

This year’s event was commemorated under the theme “Right to Food for a Better Life and a Better Future.” Communities were reminded that everyone has the right to adequate, nutritious, safe, and affordable food. It was further highlighted that, despite the world producing sufficient food, millions of people still face hunger due to factors such as climate change, conflict, and inequality.

- **World water day**

The theme for World Water Day 2025 was “Glacier Preservation,” focusing on the urgent need to protect the world’s rapidly melting glaciers as a result of climate change. During the event, communities were sensitized on how rising global temperatures are causing these critical water sources to shrink, leading to a more unpredictable and extreme water cycle. The importance of glacier preservation was emphasized as a vital survival strategy, requiring global action to reduce greenhouse gas emissions and adapt to the impacts of diminishing glaciers.

- **World no tobacco day**

The theme for the year was “Unmasking the Appeal,” which focused on exposing the manipulative tactics used by the tobacco and nicotine industries to make their products appealing, particularly to young people. The campaign aimed to strengthen public health efforts by raising awareness of these deceptive practices, encouraging demand reduction, and supporting long-term public health outcomes.

## b) **Environmental health awareness campaigns**

Environmental awareness refers to understanding the natural environment and making conscious choices that protect and sustain it. Environmental health awareness campaigns are conducted in communities and schools to educate residents about the impacts of human activities on the planet, particularly those contributing to global warming. These campaigns also address health risks associated with unsafe water, inadequate sanitation, poor hygiene, and indoor air pollution—issues that can be mitigated through increased awareness and behavioral change. During these campaigns, communities are mobilized and empowered to take an active role in promoting environmental health and improving their own well-being.

- **Sanitation awareness campaigns**

Sanitation refers to the maintenance of hygienic conditions through services such as waste collection and wastewater management. Poor sanitation is associated with the transmission of diseases such as cholera, dysentery, typhoid, intestinal worm infections, and polio. During the year, 28 awareness campaigns were conducted in communities and schools to raise awareness about the importance of health and hygiene. Proper handwashing techniques were also demonstrated to promote good hygiene practices and reduce the spread of disease.

- **Air quality awareness campaigns**

Air quality awareness campaigns were conducted in communities and schools to educate the public about air pollution — including its causes, the different types of air pollutants, and the effects of poor air quality on the environment and human health. The campaigns also focused on practical measures to mitigate air pollution. In total, 28 campaigns were held to raise awareness about the causes and impacts of air pollution and to promote actions that support cleaner, healthier air.

- **Waste management awareness campaigns**

Littering remains a major challenge in the district, as it pollutes the environment, deters tourism, and incurs high cleanup costs. To address this, 28 campaigns were conducted in collaboration with NGOs and Community Development Workers (CDWs) to remove waste from communities. The primary objectives of these campaigns were to reduce the volume of waste reaching landfill sites and to promote waste segregation and recycling programs as a sustainable strategy for minimizing environmental impact.

## c) **Water quality monitoring**

Drinking water quality monitoring was conducted in accordance with the South African National Standards for Drinking Water (2016) to ensure compliance.

Community concerns were received regarding algae growth in the Vaal River near Barkly West. The local municipality was informed about the increased algae levels and advised to implement additional measures during the treatment of raw water at the water treatment plant. Communities residing near the river were also advised to treat their water before consumption to ensure safety.

- **Climate Change Project**

Climate change is significantly affecting the district and South Africa as a whole, causing higher temperatures, more frequent and severe droughts, and altered rainfall patterns that result in both floods and water shortages. To help mitigate these impacts, the municipality initiated a tree-planting project in the Phokwane municipal area. Local schools, early learning centres, and community stakeholders participated in planting the trees, which were generously donated by the Department of Forestry, Fisheries and the Environment.

### **3.3.2 Disaster Management & Fire Fighting (KPA 3)**

The FBDM supports Phokwane, Magareng and Dikgatlong local municipalities to implement the disaster management function. The Disaster Risk Management (DRM) determines how disasters are identified and assessed in reducing the risks involved, both natural such as floods and droughts and human-made which are fires, pollution, or industrial accident). It includes prevention, preparedness, response, and recovery.

Being proactive means preparing for disasters before they happen. This helps different departments and organisations understand their roles and responsibilities clearly. It also allows for proper planning of the right equipment, staff, and strategies to respond quickly and effectively when a disaster strikes.

Volunteer units were established within each of the local municipalities. These volunteers are trained on an annual basis to be deployed during any disaster. Local volunteers come from the communities they serve, which builds trust and ensures aid is distributed appropriately. Their familiarity with local needs also accelerates effective response. The volunteers act as first responders in their respective communities. In addition, disaster management volunteers are trained on an annual basis and are deployed in cases of disastrous events.

Risk awareness helps individuals and organizations recognize potential threats before they become actual problems. The earlier a risk is identified, the easier and cheaper it is to manage or prevent it. When people are aware of risks, they can make better decisions about how to act, allocate resources, or change plans. It reduces the chance of being caught off guard. FBDM presents seasonal risk awareness programmes at informal settlements e.g. fires safety in and around the houses, the dangerous of using paraffin and gas as a heat source.

The district continues to face challenges due to insufficient firefighting capacity, both in terms of human resources and equipment. In response, the Frances Baard District Umbrella Fire Protection Association was established to coordinate efforts and improve veldfire management in the region. Additionally, the Frances Baard District Municipality (FBDM) has implemented a maintenance programme to support farmers by assisting with the upkeep of veldfire equipment.

OBJECTIVE	OUTCOME		
	Indicator	Unit of measure	Target
To support 3 local municipalities by creating institutional capacity for Disaster Management	Number of volunteers trained in disaster risk management	Number of volunteers trained	20 volunteers trained
To reduce risks and build resilience for all communities within the district	Number of awareness programmes implemented	Number of awareness programmes	4x awareness programmes
To assist local municipalities by implementing response and recovery mechanisms as per National Disaster Management Framework	Percentage response to requests on disastrous incidents in the local municipalities.	% Assistance	100% response to all requests received
To develop institutional capacity and acquire resources for fire fighting services for 3 local municipalities in the district	Percentage securing and maintenance of firefighting equipment for 3x LMs	% Maintenance	100% maintenance
To safeguard Councils assets by continuously maintaining and upgrading physical security systems	Percentage implementation of the security maintenance agreements	% Progress	100% Implementation

- **Volunteers**

Through the recruitment of disaster management volunteers, the capacity and support given to local municipalities has increased. Twenty (20) volunteers were trained for the period under review.

Municipal Area	Number recruited
Phokwane	15
Magareng	15
Dikgatlong	15

#### Other activities for 2024/25

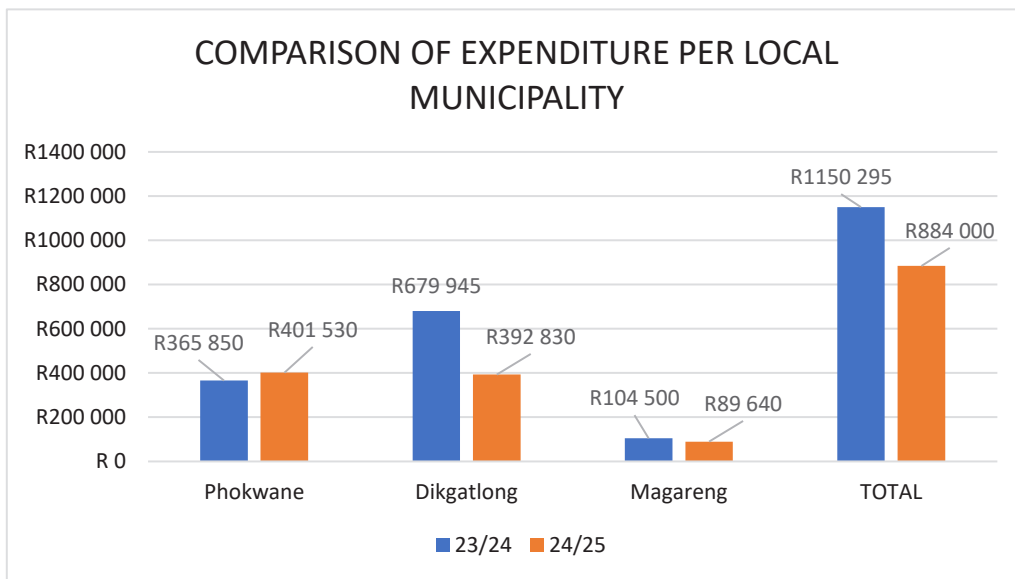
- Provided contingency fund for response and recovery to assist community members with rehabilitation and social relief to communities residing within Dikgatlong, Magareng and Phokwane local municipalities. The expenditure of the contingency fund depends on the number of requests received from the local municipalities.
- Safety awareness and education campaigns were conducted with communities in Magareng, Dikgatlong and Phokwane local municipalities to mitigate the number of domestic shack fires and the destruction it causes.

Types of fires experienced in 2023/24	Number
Shack fires	34
Veld fires	30
Structural fires (RDP houses, privately owned / businesses)	0
Weather related incidents	2

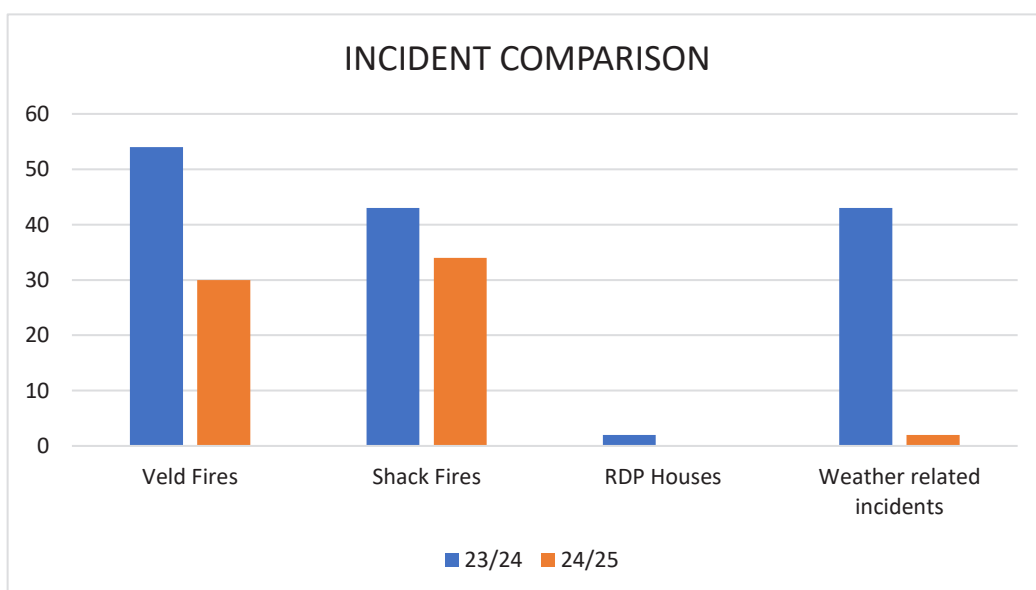
- Contingency Fund**

We spent R900.000 (nine hundred thousand rands) to assist destitute families as a result of disaster in the year under review.

This support was used for the replacement and repair of damaged housing structures and the allocation is a decrease from the previous year's budget.



The graph above shows the assistance provided to destitute families in the Phokwane, Dikgatlong and Magareng local municipalities.



The graph above shows that there was an decrease in shack fires, weather related incidents and RDP house fires.

## Achievements

- **Integrated institutional capacity for disaster risk management in the district**

There has been an increase in the capacity and support to local municipalities because of the recruitment of disaster management volunteers.

- **Effective and efficient response and recovery to assist destitute families**

All requests received from local municipalities to assist destitute communities were responded to. The contingency fund was used for rehabilitation and social relief of disaster-stricken communities residing within the affected areas of Dikgatlong, Magareng and Phokwane municipalities. The services of the Department of Human Settlement were requested to assist with repairing damages to communities affected by gale-force winds and heavy rains.

- **Disaster Risk Reduction (Awareness Campaigns)**

Safety awareness and education campaigns were conducted with communities living in informal settlements where shack fires occur on a regularly basis. These awareness programmes were conducted at Magareng, Dikgatlong and Phokwane local municipalities to mitigate the number of domestic/shack fires and the destruction to life and property. The Provincial Disaster Management Centre, other sector departments together with the Frances Baard District Municipality embarked on an awareness campaign within the district. The programmes presented were as follows:

- Fire safety in and around the house.
- The importance to have emergency evacuation plans for schools and creches.
- Water Safety. (Flood Awareness)
- The prevention of veld fires in informal settlements.

<b>Employees: Fire Fighting &amp; Disaster Management Services</b>					
<b>Job Level</b>	<b>2023/24</b>		<b>2024/25</b>		
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (full-time equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
1 - 3	0	0	0	0	0
4 - 8	5	5	5	0	0
9 - 13	3	4	3	0.53	13.3%
14 - 18	1	1	1	0	0
19 - 26	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>0.53</b>	<b>5%</b>

Employees and Posts numbers are as at 30 June. Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2024/25: Fire Fighting & Disaster Management Services						R'000
Details	2023/24	2024/25				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	–	–	–	–	–	
Expenditure:						
Fire fighters	–	–	–	–	–	
Other employees	5 278	8 676	7 242	5 493	76%	
Repairs and Maintenance	–	–	–	–	-	
Other <sup>1</sup>	3 330	4 655	5 380	3 651	68%	
<b>Total Operational Expenditure</b>	<b>8 607</b>	<b>13 331</b>	<b>12 621</b>	<b>9 144</b>	<b>72%</b>	
<b>Net Operational Expenditure</b>	<b>8 607</b>	<b>13 331</b>	<b>12 621</b>	<b>9 144</b>	<b>72%</b>	

Capital Expenditure 2024/25: Fire Fighting & Disaster Management Services						R' 000
Capital Projects	2024/25					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
<b>Total All</b>	<b>1,485</b>	<b>0</b>	<b>1,128</b>	<b>-32%</b>	<b>1,128</b>	
Procurement of skid units for veldfire fighting purposes.	130	0	89	-46%	89	
Procurement of Ultra high pressure skid unit.	320	0	194	-65%	194	
Replacement of CCTV system.	700	0	677	-3%	677	
Roof covering, carports at Jan Kempdorp fire station.	335	0	168	-99%	168	

#### Procurement of skid units for veldfire fighting purposes

The skid units will be used as part of the basic fire management tools when fighting veld fires and will be used during veld firefighting operations. Project completed.

#### Procurement of Ultra high-pressure skid unit for shack and veldfire fighting purposes

The Ultra high-pressure skid unit will be used for shack and veld fires. The units also form part of the firefighting equipment that will be installed onto a vehicle to help fighting veld and shack fires. Project completed.

#### Replacement of CCTV system.

The current system, installed in 2009, had to be replaced due to obsolescence. This upgrade is part of the district municipality's ongoing efforts to improve its security systems. The project was completed.

#### Roof covering over wash bay, veranda and carports at Jan Kempdorp fire station

A roof covering was installed over the existing wash bay at the fire station to protect the electrical motors used for operating the motorised doors. Additionally, three carports were constructed to provide sheltered parking for the station's employees. A veranda was also added in front of the double garage, which is intended to be used as a storage area and workshop. The project was completed.

<sup>1</sup> Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Special Projects 2024/25: Fire Fighting & Disaster Management Services					
					R' 000
Special Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>590</b>	<b>500</b>	<b>995</b>	<b>41%</b>	<b>995</b>
Volunteer Training	90	0	81	-11%	81
Contingency Fund	500	500	914	45%	914

### Volunteer training

The district municipality annually conducts training for disaster management volunteers. Through the recruitment of disaster management volunteers, the capacity and support given to local municipalities is increased as these trainees can be called upon to help when the need arises. The training is presented to the volunteers in the Dikgatlong local municipal area.

### Contingency Fund

Assistance was provided to destitute families in the Dikgatlong, Magareng and Phokwane municipal areas. There was a decrease in expenditure because of a decrease in weather related incidents.

## 3.4 Corporate policy offices and other services

### 3.4.1 Executive and council

The municipality operates under a Mayoral Executive System, comprising five Section 80 Committees: Finance, Policy and Institutional Development, Social Development, Infrastructure Development, and Economic Development. Council consisted of 29 members - 16 female and 13 male.

The Executive Mayor is the political head of the municipality and, together with Council, exercises oversight over municipal administration. The Executive Mayor is supported by the Mayoral Committee, which facilitates the coordination and integration of municipal activities across all committees and departments. The Speaker presides over Council meetings and ensuring adherence to the Code of Conduct for Councillors. She maintains order and promote the effective functioning of Council and its committees.

Council committees met monthly, except for the August and October months, to deliberate on matters within their mandates and to formulate recommendations for consideration and approval by Council.

Employees: The Executive and Council					
Job Level	2023/24		2024/25		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	1	1	1	0	0
9 - 13	7	9	7	1.06	11.8%
14 - 18	1	2	1	0.53	27%
19 - 26	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>12</b>	<b>9</b>	<b>1.59</b>	<b>13%</b>

Financial Performance 2024/25: The Executive and Council					
					R'000
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	280	–	101	–	0%
Expenditure:					
Employees	446	1 000	1 000	482	48%
Remuneration of Councillors	7 735	8 252	8 723	8 544	98%
Repairs and Maintenance	–	–	–	–	-
Other <sup>1</sup>	2 801	2 964	3 065	6 085	199%
<b>Total Operational Expenditure</b>	<b>10 982</b>	<b>12 216</b>	<b>12 788</b>	<b>15 111</b>	<b>118%</b>
<b>Net Operational Expenditure</b>	<b>10 702</b>	<b>12 216</b>	<b>12 687</b>	<b>15 111</b>	<b>119%</b>

### 3.4.2 Human Resource Services (KPA 3)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To comply with legislative requirements relating to human resource management and development	Percentage compliance with HRM &D reporting requirements	% Implementation	100% Implementation of HR Development & Management
To provide HR management and development support to LMs	Percentage implementation of the annual HR support plan	% Support	100%

Employees: Human Resource Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	2	2	2	0	0
14 - 18	3	3	3	0	0
19 - 26	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>

Employees and posts numbers are as at 30 June. Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

<sup>1</sup> Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Financial Performance 2024/25: Human Resource Services						R'000
Details	2023/24	2024/25				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	–	–	–	–	–	
Expenditure:						
Employees	4 363	2 948	4 199	3 825	91%	
Repairs and Maintenance	–	–	–	–	–	
Other <sup>1</sup>	1 139	2 434	2 434	1 364	56%	
<b>Total Operational Expenditure</b>	<b>5 502</b>	<b>5 382</b>	<b>6 633</b>	<b>5 189</b>	<b>78%</b>	
<b>Net Operational Expenditure</b>	<b>5 502</b>	<b>5 382</b>	<b>6 633</b>	<b>5 189</b>	<b>78%</b>	

### 3.4.3 Information and Communication Technology (ICT) Services (KPA 3)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To upgrade obsolete ICT infrastructure and implement agile ICT solutions within the district.	Percentage upgrading of ICT infrastructure and implementation of ICT solutions	% upgrading & Implementation	100% upgrading of & implementation of ICT systems
To provide technical support to three local municipalities	Percentage implementation of the annual support plan	% implementation	100% implementation

Employees: ICT Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	2	2	2	0	0
14 - 18	1	1	0	0.28	28%
19 - 26	0	0	0	0	0
Interns	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>0.28</b>	<b>9%</b>

Employees and posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

<sup>1</sup> Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Capital Expenditure 2024/25: ICT Services					
R' 000					
Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>Total All</b>	<b>338</b>	<b>0</b>	<b>147</b>	<b>-131%</b>	<b>147</b>
Desktop replacement	100	0	0	0%	0
Laptop replacement	198	0	147	-35%	147
UPS batteries	40	0	0	0%	0

Financial Performance 2024/25: ICT Services					
R'000					
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	–	–	–	–	–
Expenditure:					
Employees	1 874	2 437	2 437	1 626	67%
Repairs and Maintenance	–	–	–	–	–
Other <sup>1</sup>	2 840	3 345	3 345	2 064	62%
<b>Total Operational Expenditure</b>	<b>4 714</b>	<b>5 782</b>	<b>5 782</b>	<b>3 691</b>	<b>64%</b>
<b>Net Operational Expenditure</b>	<b>4 714</b>	<b>5 782</b>	<b>5 782</b>	<b>3 691</b>	<b>64%</b>

### 3.4.4 Records Management (KPA 3)

Compliance with the regulatory framework relating to archival and records management is relatively satisfactory for disposal and appraisal of records and we hope to build our own capacity for this activity. We also have a responsibility to render records management support to our local municipalities to build their capacity.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To comply with the provincial archives act at FBDM and support the LMs towards compliance	Percentage implementation of the annual records management and advisory plan	% Implementation	100% implementation of the plan
	Percentage implementation of the annual records management and advisory support plan	% Support	100% support
To provide effective and efficient office support functions	Percentage implementation of the office support plan	% Implementation	100%
To provide effective and cost-efficient office support services	Percentage maintenance of the municipal building	% Maintenance	100% maintenance

<sup>1</sup> Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

### 3.4.5 Financial Services (KPA 5)

The Department of Finance is mainly responsible for the effective and efficient oversight and management of the municipality's assets, liabilities, revenue and expenditure according to prescribed legislation.

#### Budget & Treasury, Revenue & Expenditure and Supply Chain Management

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To ensure compliance to all accounting and legislative reporting requirements	Percentage compliance to budgeting and reporting requirements	% Compliance	100%
To ensure sound financial management practices according to National Treasury guidelines	Percentage implementation of sound financial management (revenue & expenditure)	% Compliance	100%
To ensure implementation of supply chain management policies and related prescripts	Percentage compliance with treasury supply chain management system	% Compliance	100% implementation of the support required
To provide financial management support to Local Municipalities in the district	Percentage financial management support provided to LMs	% Support	100%

Employees: Financial Services					
Job Level	2023/24	2024/25			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8 *	4	4	4	0	0
9 - 13	5	6	3	1.53	25.5%
14 - 18	4	7	5	0.90	13%
19 - 26	0	0	0	0	0
Interns					
<b>Total</b>	<b>13</b>	<b>17</b>	<b>12</b>	<b>2.44</b>	<b>14%</b>

Employees and posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

\* 1 x unfunded post

Financial Performance 2024/25: Financial Services					
					R'000
Details	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget <sup>1</sup>	Actual	Variance to Budget
<b>Total Operational Revenue</b>	151 007	150 084	150 084	155 093	103%
Expenditure:					
Employees	13 785	19 132	17 644	13 782	78%
Repairs and Maintenance	–	–	–	–	–
Other <sup>1</sup>	10 023	11 421	13 566	7 319	54%
<b>Total Operational Expenditure</b>	<b>23 808</b>	<b>30 554</b>	<b>31 308</b>	<b>21 101</b>	<b>67%</b>
<b>Net Operational Expenditure</b>	<b>(127 199)</b>	<b>(119 531)</b>	<b>(118 776)</b>	<b>(133 992)</b>	<b>113%</b>

### 3.4.6 Integrated Development Planning (KPA 3)

Our IDP outlines the district priorities which are aligned to those of the four local municipalities. The integrated planning assist to improve our service delivery challenges.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To develop and review the district municipality's IDP in compliance with legislation	Percentage development and review of the district IDP	% Progress	Adopted 2025/26 district IDP
To support the local municipalities in the preparation and review of their IDPs	Percentage implementation of the annual support plan	% Progress	100% implementation of the 2024/25 support plan

### 3.4.7 Communication & Media (KPA 4)

More and more the emphasis for communication at local government level has shifted towards participatory communication. It is important to keep the community involved in all stages of development projects and thereby getting their buy-in and understanding. Aligning messages of government is important and closer cooperation between municipalities and the other spheres of government has grown in importance to ensure that one government message is taken to the communities. However, communication is still under-prioritised in the district in terms of recognition that service delivery issues go together with effective communication and participation programmes. Except for the Sol Plaatje local municipality, all local municipalities have insufficient staff for communication in the district and there is still poor planning and budgeting practices for communication activities.

<sup>1</sup> Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To keep the public informed on government activities in the district	Percentage implementation of the annual communication action plan	% Progress on implementation of action plan	100% implementation of the action plan
To improve internal communication through the implementation of the internal communication plan	Percentage implementation of the internal communication plan	% Progress on the implementation of the communication plan	100% implementation of 2024/25 communication plan

### 3.4.8 Legal & Compliance (KPA 4)

The legal and compliance function occupies a strategic position and provides professional legal guidance; monitoring compliance with the applicable regulatory framework within which municipalities operate; develops and review contracts and other legal documents. It is also responsible for the implementation of the municipality's litigation management strategy. This strategy recognizes the fact that the role of an in-house municipal legal services unit has evolved to become a proactive and innovative partner with local municipalities within the district.

Objectives	Outcome		
	Indicator	Unit of measure	Target
Provision of legal services to FBDM and assistance to local municipalities upon request	Percentage provision of legal advisory and compliance services in the district	% Compliance	100%
Provision of sound legal binding contracts in the district	Percentage provision of legal contract services	% Provision	100%

### 3.4.9 Internal Auditing (KPA 4)

Internal audit is an integral component of internal control, risk management and is party to the structures of those charged with governance. The objective of internal audit in discharging its duties is providing the necessary assurance and advisory services to the municipality including Magareng and Dikgatlong local municipalities. Audit plans are developed annually to carry out audits which are informed by risk assessments in addressing the underlying non-compliance and lack of controls amongst the risk universe. The audits conducted places management in a position to assess whether the controls of the municipality are sufficient and effective; and to implement recommended actions where there is a need for improvement.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To evaluate the adequacy and effectiveness of control processes and assessment of compliance with legislation in FBDM and two local municipalities	Percentage implementation of the annual audit plans (FBDM, DLM and MLM)	% implementation	100% Implementation of the audit plans

### 3.4.10 Risk Management (KPA 4)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To manage risk activities in FBDM and two local municipalities	Percentage implementation of the risk management plan for FBDM, MLM & DLM	% Implementation of plan	100% implementation
To prevent and manage fraud and corruption in FBDM and two local municipalities	Percentage implementation of a fraud management plan for FBDM, MLM & DLM	% Implementation of plan	100% implementation

### 3.4.11 Youth Development (KPA 4)

The municipality strive to mainstream youth development in all policies, programmes and plans. This provides the framework to develop and implement programmes and projects that facilitates and advocates for the inclusion of youth in mainstream socio-economic life.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To facilitate and coordinate youth development in the district	Number of stakeholder engagement platforms facilitated	Number of platforms	4 platforms
	Percentage of youth development programmes	% Progress	100% coordination

### 3.4.12 Special Programmes (KPA 4)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To facilitate and coordinate special programmes in the district	Percentage facilitation and coordination of special programmes in the district	% Progress	100% implementation of approved programmes

### 3.4.13 Council and Committee Services (KPA 4)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To ensure an effective and efficient functioning of council and its committees	Percentage facilitation of council and its committee meetings	% Compliance	100% facilitation of committees and council meetings

### 3.4.14 Performance Management (KPA 3)

We have an established performance management system. The municipality also ensures that it implements and maintains a performance management system resource capacity and in line with our priorities, objectives, indicators and targets contained in our IDP.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To maintain a functional Performance Management System in FBDM	Percentage compliance on PMS in FBDM	% Implementation	100% implementation of the annual plan
To provide assistance & support local municipalities with performance management in the district	Percentage implementation of the annual support plan	% Progress	100% implementation of the annual support plan

### 3.4.15 Municipal institutional performance report 2024/25

In compliance with section 46 of the MSA of 2000, the table below refers to the performance of the municipality (targets and indicators), for 1 financial year (2024/25) and in line with the objectives stated in the SDBIP (2024/25) and the IDP of 2024/25 (page 90-107).

FRANCES BAARD DISTRICT MUNICIPALITY													
MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY													
REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)													
Key Performance Area	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS			
					PoE	Annual Target							
KPA 1. SUSTAINABLE MUNICIPAL INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY.													
1.1 Programme Management and Advisory Services													
1	To assist LMs with infrastructure upgrading, operations and maintenance	1.1	Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district	Infrastructure needs list of LMs for 2024/25	4x Project lists from the LMs for 2025/26	Project lists	List of projects from LMs	4	4	0	N/A	N/A	N/A
		1.2	Amount spent on support for operations and maintenance of infrastructure in the LMs (O&M)	Spent R9 555 000.00 of the allocated budget	Total spending of annual allocated budget R15 000 000.00	Amount spent (R)	Quarterly Reports	Quarterly Reports R15 000 000.00	R14 000 000.00	-R1 000 000.00	The expenditure could not be incurred due to the non-compliance with the budgetary legislative requirements. This resulted in the under expenditure on the allocation made during the adjustment budget.	Allocations to the Local Municipalities will be made in line with the prescripts of the legislation on budgets.	
		1.3	Number of monitoring reports developed to support with infrastructure operations and maintenance in the LMs	Monitoring reports	4 Monitoring reports	Number of monitoring reports	4x Reports	4x Reports	4	4	0	N/A	N/A
2	To create job opportunities for the unemployed through the promotion of EPWP principles	2.1	Number of Full-Time Equivalents (FTEs) created as per DORA	37 FTEs created in 2023/24	17 FTEs	Number of FTEs created	Quarterly reports	17	30.77	+13.77	N/A	N/A	N/A
3	To support improved infrastructure planning in the district	3.1	Percentage progress on the implementation of the RBAMS project to support improved infrastructure planning in the LMs as per the annual business plan	100% implemented business plan	100% implementation of the approved business plan	% Progress on implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	N/A
Deviation = 0% (Target Reached) Positive Deviation = +% Negative Deviation = -%													
Full Compliance: 0% Deviation								Under-Performance: -% Deviation		Over-Performance: +% Deviation			

FRANCES BAARD DISTRICT MUNICIPALITY

MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY

ANNUAL REPORT FOR 2024/2025 FY

REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)

Key Performance Area	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS		
						PfE						
KPA 1. SUSTAINABLE MUNICIPAL INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY.												
1.1. Programme Management and Advisory Services												
4 To support the provision of potable water, sanitation facilities, electricity and streets and storm water households in the district	4.1 Amount spent on support for capital infrastructure projects in the LMs	Spent R23 545 000.00 of the allocated budget	Total spending of annual allocated budget R6 000 000.00	Amount spent (R)	Quarterly Reports	R6 000 000.00	R4 000 000.00	-R2 000 000.00	The expenditure could not be incurred due to the non-compliance with the budgetary legislative requirements. This resulted in the under expenditure on the allocation made during the adjustment budget.	Allocations to the Local Municipalities will be made in line with the prescripts of the legislation on budgets.		
	4.2 Number of monitoring reports developed to support with capital infrastructure projects in the LMs	4x Monitoring reports	2 Monitoring reports submitted to Council	Number of monitoring reports submitted	2x Reports	2	2	0	N/A	N/A		
5 To implement Energy Efficiency and Demand Side Management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency	5.1 Percentage implementation of the EEDSM project as per the annual business plan	0	100% Implementation of the business plan	% Progress on implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A		
1.2 Housing												
6 To facilitate the reduction of the Housing backlog	6.1 Number of Human Settlement sector-plans reviewed	Sector plans reviewed	4x Sector plans reviewed	Number of sector plans reviewed	Draft sector plans	4	4	0	N/A	N/A		
	6.2 Number of progress reports for the facilitation of the subsidy application process	4x Progress Reports	4x Progress reports	Number of reports	4x Reports	4	4	0	N/A	N/A		
7 Monitoring of human settlements development in 3 LMs	7.1 COGHSTA and National Department of Human Settlements	16 X Reports	16 X reports	Number of reports	Monthly & Quarterly reports	16	16	0	N/A	N/A		
					Deviation = 0% (Target Reached)		Full Compliance: 0% Deviation		Under-Performance: - % Deviation		Over-Performance: + % Deviation	

**FRANCES BAARD DISTRICT MUNICIPALITY**

**MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY**

REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)

ANNUAL REPORT FOR 2024/2025 FY

Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification POE	Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
KPA 2. Local Economic Development											
2.1 Local Economic Development Unit											
8 To support the development of a diverse and innovation driven local economies	8.1	Number of programmes completed aimed at the diversification of the district economy	1x Programme Implemented	2x Programmes	Number of programmes completed	Quarterly Reports	2	0	N/A	N/A	
	9 To support the development of learning and skilful economies	9.1	Number of programmes completed aimed at developing learning and skilful economies	1x Programme Implemented	2x Programmes	Number of programmes completed	Quarterly Reports	1	-1	The YEDP training project was cancelled due to the lapse of the accreditation status of the training provider.	The new process will begin and be finalised in the 2025/26 FY.
		10.1	Number of programmes completed aimed at developing enterprises	80% Completion	2x Programmes	Number of programmes completed	Quarterly Reports	2	-1	The machinery and equipment project was not completed due to an overlap with the preceding cycle, which affected the sequential order and timeline.	The project will be completed in the 2025/26 FY.
11 To facilitate the development of inclusive local economies	11.1	Number of evaluations conducted aimed at developing inclusive economies	4x Evaluations conducted	4x Evaluations	Number of evaluations	Quarterly Reports	4	-2	The assessment of the project of machinery and equipment could not proceed as the project was not completed.	The evaluations will be conducted in the 2025/26 FY.	
2.2 Tourism Unit											
12 To promote tourism in the Frances Baard District	12.1	Number of programmes completed aimed at upgrading, restoration and promoting tourist attractions	5x Implemented planned programmes	6x Programmes	Number of programmes completed	Quarterly Reports	6	0	N/A	N/A	
			100% Implementation of annual action plan to facilitate strategic partnerships and participation of tourism role players	100% Implementation of the action plan	% Implementation	Quarterly Reports	100.00%	0.00%	N/A	N/A	
Deviation = 0% (Target Reached) Full Compliance: 0% Deviation Under-Performance: - % Deviation Over-Performance: + % Deviation											

FRANCES BAARD DISTRICT MUNICIPALITY											
MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY											
REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)											
ANNUAL REPORT FOR 2024/2025 FY											
Key Performance Area	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification POE	Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
IDP Objectives											
3. Institutional Development and Transformation											
3.1 Environmental Health Management											
To monitor and enforce national environmental health norms and standards in the Frances Baard district	13.1	Percentage implementation of municipal health by-laws	0	100% implementation of by-laws	Percentage implementation	Monthly reports	100.00%	0.00%	-100.00%	The bylaw have not been finalised due to the need to broaden stakeholder participation.	The by-law will be finalised in the 2025/26 financial year
	13.2	Number of water samples collected and analysed to monitor water quality	480 water samples collected and analysed	480 samples collected	Number of samples collected and analysed	Monthly reports	480	513	+33	Additional water samples were collected due to the need to re-sample water at points which were non compliant with SANS 241 of 2015.	N/A
	13.3	Number of inspections at food premises to determine food safety	700 inspections at food premises	700 inspections completed	Number of inspections conducted	Monthly reports	700	758	+58	More inspections were conducted to follow up on the previously non-compliant premises.	N/A
	13.4	Number of surface swabs collected for analyses for diseases and other health risks	180 Surface swabs collected to analyse	180 swabs collected	Number of surface swabs collected & analysed	Quarterly reports	180	180	0	N/A	N/A
	13.5	Number of food handlers trained on environmental health requirements	420 Food handlers trained	420 food handlers trained	Number of food handlers trained	Monthly reports	420	537	+117	Additional training were conducted due to the increase in the number of food handlers during the Presidential campaign for the registration of tuckshops.	N/A
	13.6	Number of inspections conducted at non-food premises to determine health safety	363 inspections conducted at non-food premises	391 inspections conducted	Number of inspections conducted	Monthly reports	392	415	+23	More inspections were conducted to follow up on the previously non-compliant premises.	N/A
	13.7	Percentage progress on the development of the environmental health tariff policy	0	Developed policy	Percentage implementation	Quarterly reports	100.00%	44.44%	-55.56%	The tariff policy will follow the finalisation of the bylaws.	The policy will be finalised in the 2025/26 FY.
	Full Compliance: 0% (Target Reached)      Deviation = 0% (Target Reached)      Under-Performance: -% Deviation      Over-Performance: +% Deviation										

FRANCES BAARD DISTRICT MUNICIPALITY

MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY

REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)

ANNUAL REPORT FOR 2024/2025 FY

Key Performance Area IPR Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
					POE						
(PA. 3. Institutional Development and Transformation continued...)											
3.1 Environmental Health Management											
14 To implement and monitor environmental planning and management in the Frances Baard district.	14.1	Number of awareness campaigns conducted	84 awareness campaigns implemented	Number of campaigns implemented	Monthly reports	84	85	+1	Additional campaign was conducted to create awareness to schools during the water awareness week.	N/A	
	14.2	Number of environmental calendar days celebrated	7 environmental calendar days celebrated	Number of days celebrated	Quarterly reports	7	7	0	N/A	N/A	
	14.3	Number of atmospheric emissions inventory updates performed	4 Atmospheric emissions inventory updates	Number of updates performed	Quarterly reports	4	4	0	N/A	N/A	
	14.4	Number of ambient air quality monitoring reports	2 Ambient air quality monitoring reports	3 monitoring reports	Number of reports	Quarterly reports	4	4	0	N/A	N/A
	14.5	Percentage implementation of the climate change project	0	Implemented climate change project	Percentage implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	The climate change project was completed.
Deviation = 0% (Target Reached) Positive Deviation = + % Negative Deviation = - %											

FRANCES BAARD DISTRICT MUNICIPALITY											
MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY											
REPORTING PERIOD-ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)					ANNUAL REPORT FOR 2024/2025 FY						
Key Performance Area	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
					POE	POE					
IP1.3. Institutional Development and Transformation continued...											
3.2 Disaster Management											
15	To support 3 local Municipalities by creating institutional capacity for disaster management	15.1	Number of volunteers trained in Disaster risk management	20A Volunteers trained	20 volunteers trained	Number of volunteers trained	Quarterly reports	20	0	N/A	N/A
16	To reduce risks and build resilience for all communities within the district	16.1	Number of awareness programmes conducted within the district	6A Awareness programmes	4 awareness programmes	Number of awareness programmes	Quarterly reports	4	0	N/A	N/A
17	To assist local municipalities by implementing response and recovery mechanisms as per national disaster management framework	17.1	Percentage response to requests on disastrous incidents in the local municipalities.	100% Response	100% response to all requests received	% Assistance	Quarterly reports	100.00%	0.00%	N/A	N/A
18	To develop institutional capacity and acquire resources for firefighting services for 3 local municipalities in the district	18.1	Percentage securing and maintenance of firefighting equipment for 3A LMS	70% Maintained fire fighting equipment	100% maintenance	% Maintenance	Monthly reports	100.00%	0.00%	N/A	N/A
19	To safeguard Council assets by continuously maintaining and upgrading physical security systems	19.1	Percentage implementation of the security maintenance agreements	88% Maintained	100% implementation	% progress	Monthly reports	100.00%	0.00%	N/A	N/A
3.3 Human Resource Management											
20	To comply with legislative requirements relating to human resource management and development	20.1	Percentage compliance with HRM & D-reporting requirements	100% Implementation	100% Implementation of HR Development & Management	% Implementation	Quarterly reports	100.00%	0.00%	N/A	N/A
21	To provide HR management and development support to LMS	21.1	Percentage implementation of the annual HR support plan	100% Support provided	100%	% support	Quarterly reports	100.00%	0.00%	N/A	N/A
Deviation = 0% (Target Reached) Positive Deviation = + % Negative Deviation = - %											
Under-Performance: -% Deviation										Over-Performance: +% Deviation	

FRANCES BAARD DISTRICT MUNICIPALITY

MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY

REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)

ANNUAL REPORT FOR 2024/2025 FY

Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification PoE	Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
KPA 3. Institutional Development and Transformation continued...										
3.4 Records Management										
22 To comply with the Provincial Archives Act at FBDM and support the IMS towards compliance	22.1	Percentage implementation of the annual records management and advisory plan	100% Implemented plan	100% Implementation of the plan	% Implementation	Quarterly reports	100.00%	0.00%	N/A	N/A
	22.2	Percentage implementation of the annual records management and advisory support plan	100% Implemented plan	100% support	%support	Quarterly reports	100.00%	0.00%	N/A	N/A
23 To provide effective and efficient office support functions	23.1	Percentage implementation of the office support plan	100% Implemented plan	100.00%	% Implementation	Quarterly reports	100.00%	0.00%	N/A	N/A
24 To provide effective and cost efficient office support services	24.1	Percentage maintenance of the municipal building	100% Maintained	100% maintenance	% Maintenance	Quarterly reports	100.00%	0.00%	N/A	N/A
3.5 Information Communication Technology (ICT)										
25 To upgrade obsolete ICT infrastructure and implement agile ICT solutions within the district.	25.1	Percentage upgrading of ICT infrastructure and implementation of ICT solutions	83% implemented	100% Upgrading & implementation of ICT systems	% Upgrading & Implementation	Quarterly reports	100.00%	0.00%	N/A	N/A
	26 To provide technical support to three local municipalities.	26.1	Percentage implementation of the annual support plan	100.00%	100% implementation	% Implementation	Quarterly reports	100.00%	0.00%	N/A
Deviation = 0% (Target Reached) Positive Deviation = + % Negative Deviation = - %										
							Full Compliance: 0% Deviation	Under-Performance: - % Deviation	Over-Performance: + % Deviation	

FRANCES BAARD DISTRICT MUNICIPALITY

MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY

ANNUAL REPORT FOR 2024/2025 FY

REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)

Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification PoE	Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
RPA 3. Institutional Development and Transformation continued...										
3.6 Integrated Development Planning (IDP)										
27	To develop and review the district municipality's IDP in compliance with legislation	Adopted 2024/25 IDP	Adopted 2025 /26 district IDP	% Progress	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
28	To support the local municipalities in the preparation and review of their IDPs	100% Support provided	100% implementation of the 2024/25 support plan	% Progress	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
3.7 Performance Management Systems										
29	To maintain a functional performance management system in FBDM	100% Compliance	100% Implementation of the annual plan	% Implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
30	To provide assistance & support local municipalities with performance management in the district	100% Support provided	100% implementation of the annual support plan	% Progress	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
3.8 Geographic Information Systems										
31	To promote the use of GIS as a tool in the district	100% Access & Maintenance	Land Audit	% progress	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
Deviation = 0% (Target Reached) Positive Deviation = +% Negative Deviation = -% Full Compliance: 0% Deviation Under-Performance: -% Deviation Over-Performance: +% Deviation										

FRANCES BAARD DISTRICT MUNICIPALITY											
MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY											
REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)					ANNUAL REPORT FOR 2024/2025 FY						
Key Performance Area	IDP Objectives	Key Performance Indicators			Annual Targets	Unit of Measure	Verification		Actual Performance	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
		Baseline	Annual Targets	Unit of Measure			PoE	Deviation			
KPA 3. Institutional development and transformation											
3.9 Spatial Planning											
32	To facilitate the development of urban and rural areas in accordance with the relevant legislation	32.1	Percentage of land development applications received from LMs processed	100.00%	100% processed applications received	% Progress	Quarterly reports	100.00%	100.00%	0.00%	N/A
		32.2	Percentage development of a Nodal Plan for Phokwane LM	0	% Development	% Progress	Quarterly reports	100.00%	100.00%	0.00%	N/A
		32.3	Percentage progress on the development of a Precinct Plan for Magareng LM	86% Developed precinct plan for Magareng LM	% Development of a precinct plan	% Progress	Quarterly reports	100.00%	100.00%	0.00%	N/A
KPA 4. Good Governance and Public Participation											
4.1 Communication and Media											
33	To keep the public informed on government activities in the district	33.1	Percentage implementation of the annual action plan	95% implemented plan	100% implementation of the action plan	% Progress on implementation of action plan	Quarterly reports	100.00%	109.92%	+9.92%	An additional radio talk show was necessary to create awareness against illegal sales of medication by tuckshops in the district.
		34.1	Percentage implementation of the internal communication plan	100% implemented plan	100% implementation of 2024/25 communication plan	% Implementation of the communication plan	Quarterly reports	100.00%	100.00%	0.00%	N/A
4.2 Risk Management											
35	To manage risk activities in FBDM and two local Municipalities	35.1	Percentage implementation of the risk management plan for FBDM, MLIM & DLIM	100% Risk implementation plan	100% implementation	% Implementation of plan	Quarterly reports	100.00%	100.00%	0.00%	N/A
		36.1	Percentage implementation of a fraud management plan for FBDM, MLIM & DLIM	Implemented risk management plan for FBDM	100% implementation of annual risk plan	% implementation	Quarterly Reports	100.00%	100.00%	0.00%	N/A
								Full Compliance: 0% Deviation		Under-Performance: -% Deviation	
								Deviation = 0% (Target Reached)		Over-Performance: +% Deviation	
								Positive Deviation = +%			
								Negative Deviation = -%			

FRANCES BAARD DISTRICT MUNICIPALITY										
MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY										
REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)					ANNUAL REPORT FOR 2024/2025 FY					
Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
					PdE	PdE				
4. Good Governance and Public Participation continued....										
4.3 Internal Audit										
37	To evaluate the adequacy and effectiveness of control processes and assessment of compliance with legislation in FBDM and 2 LMs	100% implemented audit plans	100% implementation of the audit plans	% Implementation	Quarterly reports	Quarterly reports	100.00%	0.00%	N/A	N/A
4.4 Legal and Compliance Services										
38	Provision of legal services to FBDM and assistance to local municipalities upon request	100% compliance	100.00%	% Compliance	Litigation register	Litigation register	100.00%	0.00%	N/A	N/A
39	Provision of sound legal binding contracts in the district	100% provision provided	100%	% Provision	Contract register	Contract register	100.00%	0.00%	N/A	N/A
4.5 Council and Committee Services										
40	To ensure an effective and efficient functioning of council and its committees	95% compliance	100%	% Compliance	Facilitation of committees and council meetings	Signed agendas and minutes of Council and committee meetings	100.00%	0.00%	N/A	N/A
4.6 Youth Services										
41	To facilitate and coordinate youth development in the district	41.1	Number of stakeholder engagement platforms facilitated	4 Platforms	Number of platforms	Quarterly Reports	4	0	N/A	N/A
		41.2	Percentage coordination of youth development programmes	100% Coordination	% Progress	Quarterly Reports	100.00%	0%	N/A	N/A
		Deviation = 0% (Target Reached) Positive Deviation = + % Negative Deviation = - %			Full Compliance: 0% Deviation		Under-Performance: - % Deviation		Over-Performance: + % Deviation	

FRANCES BAARD DISTRICT MUNICIPALITY											
MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2024/2025 FY											
REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2024 TO 30 JUNE 2025)					ANNUAL REPORT FOR 2024/2025 FY						
Key Performance Area IDP Objectives	Key Performance Indicators			Annual Targets	Unit of Measure	Verification PoE	Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
	Baseline	Annual Targets	Unit of Measure								
4. Good Governance and Public Participation continued...											
4.7 Special Programmes											
42	To coordinate and facilitate special programmes in the district	42.1	Percentage facilitation and coordination of special programmes in the district	70% completion of programmes	100% implementation of approved programmes	% Progress	Quarterly Reports	100.00%	87.50%	-12.50%	A similar commemoration activity in the district with the same stakeholders was held.  The district GR structures must adopt a consolidated calendar of the commemorative days to avoid duplication.
5.1 Budget and Treasury											
KPA.5. Municipal Financial Viability and Management											
43	To ensure compliance to all accounting and legislative reporting requirements	43.1	Percentage compliance to budgeting and reporting requirements	100% Compliance	100.00%	% Compliance	Monthly / Quarterly reports	100.00%	100.00%	0.00%	N/A
44	To ensure sound financial management practices according to National Treasury guidelines	44.1	Percentage implementation of sound financial management practices (Revenue expenditure)	100% Implementation	100.00%	% Compliance	Monthly / Quarterly reports	100.00%	100.00%	0.00%	N/A
45	To ensure implementation of supply chain management policies and related prescripts	45.1	Percentage compliance with treasury supply chain management system	100% Compliance	100.00%	% Support	Quarterly Reports	100.00%	100.00%	0.00%	N/A
46	To provide financial management support to Local Municipalities in the district	46.1	Percentage financial management support provided to UMs	100% Support provided	100.00%	% Support	Quarterly Reports	100.00%	100.00%	0.00%	N/A
							Deviation = 0% (Target Headed) Positive Deviation = + % Negative Deviation = - %		Full Compliance: 0% Deviation		Under-Performance: - % Deviation  Over-Performance: + % Deviation

FRANCES BAARD DISTRICT MUNICIPALITY			
SUMMARY OF MUNICIPAL ANNUAL PERFORMANCE: 01 JULY 2024 - 30 JUNE 2025			
Number of Key Performance Indicators Measured:		65	100%
1. Targets achieved		50	76.94%
2. Targets not achieved		8	12.30%
3. Targets Exceeded		7	10.76%
4. Overall achievement (Targets achieved + targets exceeded)		57	87.69%

### 3.4.16 Year-on-year comparison report of FBDM’s institutional performance for 2023/24 and 2024/25

In compliance with section 46 of the MSA of 2000, the table below is in line with the requirements of section 46, it is a comparison of the performance targets / indicators of the 2023/24 & 2024/25 financial years. The indicators are aligned to the objectives formulated in the IDP 2023/24 (page 89-110) and 2024/25 (page 90-107) and SDBIP of 2023/24 & 2024/25. The SDBIPs and IDPs can be read on the FBDM website.

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/2025 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 1- SUSTAINABLE MUNICIPAL INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY.										
1.1 Programme Management and Advisory Services										
1	KPI 1.1: Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district (O&M)	4	4	N/A	1	KPI 1.1: Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district	4	4	N/A	N/A
1	KPI 1.2: Amount spent on support for operations and maintenance of infrastructure in the UMs (O&M)	R9 555 000.00	R9 492 263.59	KPI 1.2 was achieved within the allocated budget with savings.	1	KPI 1.2: Amount spent on support for operations and maintenance of infrastructure in the UMs (O&M)	R15 000 000.00	R14 000 000.00	The expenditure could not be incurred due to the non-compliance with the budgetary legislative requirements. This resulted in the under expenditure on the allocation made during the adjustment budget.	Allocations to the Local Municipalities will be made in line with the prescripts of the legislation on budgets.
1	KPI 1.3: Quarterly submission of project monitoring reports developed to support infrastructure operations and maintenance in the UMs (O&M)	4	4	N/A	1	KPI 1.3: Number of monitoring reports developed to support with infrastructure operations and maintenance in the UMs	4	4	N/A	N/A
2	KPI 2.1: Number of Full-Time Equivalents (FTEs) created as per DOBA and the EPWP incentive agreement	37	35.71	A complete internship cohort was appointed.	2	KPI 2.1: Number of Full-Time Equivalents (FTEs) created as per DOBA	17	30.77	Additional full-time equivalents (FTEs) were created through the brick production project implemented in Magerang and Dligathing Local Municipality.	N/A
3	KPI 3.1: Percentage progress on the implementation of the RRAMS project to support improved infrastructure planning in the UMs as per the approved business plan	100.00%	100.00%	N/A	3	KPI 3.1: Percentage progress on the implementation of the RRAMS project to support improved infrastructure planning in the UMs as per the annual business plan	100.00%	100.00%	N/A	N/A

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/2025 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 1: SUSTAINABLE MUNICIPAL INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY.										
1.1 Programme Management and Advisory Services										
4	KPI 4.1: Number of municipalities assisted with the finalisation of prioritised project lists for capital infrastructure projects in the district	4	4	N/A		KPI 4.1 for the 2023/24 FY was reviewed and incorporated into KPI 1.1 of the 2024/25 FY				
4	KPI 4.2: Amount spent on support for capital infrastructure projects in the LMs	R23 545 000.00	R23 545 000.00	N/A	4	KPI 4.1: Amount spent on support for capital infrastructure projects in the LMs	R6 000 000.00	R4 000 000.00	The expenditure could not be incurred due to the non-compliance with the budgetary legislative requirements. This resulted in the under expenditure on the allocation made during the adjustment budget.	Allocations to the Local Municipalities will be made in line with the prescripts of the legislation on budgets.
4	KPI 4.3: Quarterly submission of project monitoring reports developed to support capital infrastructure projects in the LMs	4	4	N/A	4	KPI 4.2: Number of monitoring reports developed to support with capital infrastructure projects in the LMs	2	2	N/A	N/A
	No target was set for this KPI in the 2023/2024 FY SDBIP									
1.2 Housing Unit										
5	KPI 5.1: Number of human settlements sector plans reviewed	4	4	N/A	6	KPI 6.1: Number of Human Settlement sector-plans reviewed	4	4	N/A	N/A
5	KPI 5.2: Number of progress reports submitted to Council for the facilitation of the subsidy application process	4	4	N/A	6	KPI 6.1: Number of progress reports for the facilitation of the subsidy application process	4	4	N/A	N/A
6	KPI 6.1: Number of reports on the accreditation programme submitted to COGHSTA and NDHS	16	16	N/A	7	KPI 7.1: Number of accreditation reports submitted to COGHSTA and National Department of Human Settlements	16	16	N/A	N/A

Objective 1/ras per the 2023/2024 SDRP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective 1/ras per the 2024/2025 SDRP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA.2: LOCAL ECONOMIC DEVELOPMENT (LED)										
2.1 Local Economic Development Unit										
7	KPI 7.1: Percentage completion of programmes aimed at the diversification of the district economy	100.00%	100.00%	N/A	8	KPI 8.1: Number of programmes completed aimed at the diversification of the district economy	2	2	N/A	N/A
8	KPI 8.1: Percentage completion of programmes aimed at developing learning and skilful economies	100.00%	75.00%	The process for the make of the internship programme was finalised at the end of the 2024/25 FY.	9	KPI 9.1: Number of programmes completed aimed at developing learning and skilful economies	2	1	The YEDP training project was cancelled due to the lapse of the accreditation status of the training provider.	The new process will begin and be finalised in the 2025/26 FY.
9	KPI 9.1: Percentage completion of programme aimed at developing enterprises	100.00%	60.00%	The identified beneficiaries for the 2023/24 FY were prioritised in the 2024/25 FY. The project has been completed.	10	KPI 10.1: Number of programmes completed aimed at developing enterprises	2	1	The machinery and equipment project was not completed due to an overlap with the preceding cycle which affected the sequential order and timelines for the year under review.	The project will be completed in the 2025/26 FY.
10	KPI 10.1: Percentage completion of programme aimed at developing inclusive economies	100.00%	100.00%	N/A	11	KPI 11.1: Number of evaluations conducted aimed at developing inclusive economies	4	2	The assessment of the project of machinery and equipment could not proceed as the project was not completed.	The evaluations will be conducted in the 2025/26 FY.
2.2 Tourism Unit										
11	KPI 11.1: Percentage completion of programmes aimed at upgrading, restoration and promotion of tourist attractions	100.00%	100.00%	N/A	12	KPI 12.1: Number of programmes completed aimed at upgrading, restoration and promoting tourist attractions	6	6	N/A	N/A
11	KPI 11.2: Percentage implementation of annual action plan to facilitate strategic partnerships and participation of role players	100.00%	100.00%	N/A	12	KPI 12.2: Percentage implementation of annual action plan to facilitate strategic partnerships and participation of tourism role players	100.00%	100.00%	N/A	N/A

Objective Nr. per the 2023/2024 SDRP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr. per the 2024/2025 SDRP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
IPA.3: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
3.1 Environmental Health Management										
12	KPI 12.1: Number of water samples collected and analysed to monitor water quality	480	521	Additional water samples were collected due to the cholera outbreak.	13	KPI 13.2: Number of water samples collected and analysed to monitor water quality	480	513	Additional water samples were collected due to the need to re-sample water at points which were non-compliant with SANS 241 of 2015.	N/A
12	KPI 12.2: Number of inspections at food premises to determine food safety	700	709	N/A	13	KPI 13.3: Number of inspections at food premises to determine food safety	700	758	More inspections were conducted to follow up on the previously non-compliant premises.	N/A
12	KPI 12.3: Number of surface swabs collected to analyse for diseases and other health risks	180	185	Additional swabs were collected from food handlers at schools.	13	KPI 13.4: Number of surface swabs collected for analyses for diseases and other health risks	180	180	N/A	N/A
12	KPI 12.4: Number of food handlers trained on environmental health requirements	420	438	Additional street food vendors were trained.	13	KPI 13.5: Number of food handlers trained on environmental health requirements	420	537	Additional training were conducted due to the increase in the number of food handlers during the Presidential campaign for the registration of trucks/tops.	N/A
12	KPI 12.5: Number of inspections conducted at non-food premises to determine health safety	364	364	N/A	13	KPI 13.6: Number of inspections conducted at non-food premises to determine health safety	392	415	More inspections were conducted to follow up on the previously non-compliant premises.	N/A
12	KPI 12.6: Percentage review of the municipal health services by-laws	100.00%	60.00%	The review process of the municipal by-law requires an extensive public participation processes and full participation by all stakeholders.	There was no target set for the 2024/25 FY					
12	KPI 12.7: Percentage implementation of the environmental by-laws	100.00%	0.00%	KPI 12.7 could not be implemented as it is dependent on the completion of the by-laws.	13	KPI 13.7: Percentage implementation of municipal health by-laws	100.00%	0.00%	The by-law have not been finalised due to the need to broaden stakeholder participation.	The by-law will be finalised in the 2025/26 financial year.
12	KPI 12.8: Percentage development of environmental health tariff policy	100.00%	100.00%	N/A	13	KPI 13.7: Percentage progress on the development of the environmental health tariff policy	100.00%	44.44%	The tariff policy will follow the finalisation of the by-laws.	The policy will be finalised in the 2025/26 FY.

Objective Nr as per the 2023/2024 SDIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/25 SDIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
IPA.3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
3.1.Environmental Health Management										
13	KPI.13.1: Number of awareness campaigns implemented	84	85	One additional campaign was conducted to sensitise the communities on the cholera outbreak.	14	KPI.14.1: Number of awareness campaigns conducted	84	85	Additional campaign was conducted to create awareness at schools during the water awareness week.	N/A
13	KPI.13.2: Number of environmental calendar days celebrated	7	7	N/A	14	KPI.14.2: Number of environmental calendar days celebrated	7	7	N/A	N/A
13	KPI.13.3: Number of atmospheric emissions inventory updates performed	4	4	N/A	14	KPI.14.3: Number of atmospheric emissions inventory updates performed	4	4	N/A	N/A
13	KPI.13.4: Number of ambient air quality monitoring reports	4	3	The monitoring instrument was repaired.	14	KPI.14.4: Number of ambient air quality monitoring reports	4	4	N/A	N/A
13	KPI.13.5: Percentage progress on the development of the climate change project	100.00%	67.00%	The climate change project was implemented.	14	KPI.14.5: Percentage implementation of the climate change project	100.00%	100.00%	N/A	The climate change project was completed.
13	KPI.13.6: Percentage review of the air quality management plan	100.00%	67.00%	The air quality management plan could not be completed as there was a need to collate additional inputs from stakeholders and to benchmark with other district municipalities.	There was no target set for the 2024/25 FY					
13	KPI.13.7: Percentage progress on the review of the integrated waste management plan	100.00%	67.00%	The integrated waste management plan was not finalised as it required additional inputs from stakeholders and to benchmark with other district municipalities.	There was no target set for the 2024/25 FY					

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/25 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
<b>3.2 Disaster Management</b>										
14	KPI 14.1: Number of volunteers trained on disaster risk management	20	20	N/A	15	KPI 15.1: Number of volunteers trained in Disaster risk management	20	20	N/A	N/A
14	KPI 14.2: Percentage emerging farmers trained in disaster risk management	100.00%	100.00%	N/A	There was no target set for the 2024/25 FY					
15	KPI 15.1: Number of awareness programmes implemented	4	4	N/A	16	KPI 16.1: Number of awareness programmes conducted within the district	4	4	N/A	N/A
16	KPI 16.1: Percentage response to requests on disastrous incidents in the local municipalities	100.00%	100.00%	N/A	17	KPI 17.1: Percentage response to requests on disastrous incidents in the local municipalities	100.00%	100.00%	N/A	N/A
17	KPI 17.1: Percentage maintenance of fire fighting equipment in the 3 LMs as per request	100.00%	40.00%	The acquisition of the sid units was completed in the 2024/25 FY.	18	KPI 18.1: Percentage securing and maintenance of firefighting equipment for 3x LMs	100.00%	100.00%	N/A	N/A
17	KPI 17.2: Percentage completion of the annual sid units inspections in 3 LMs	100.00%	100.00%	N/A	KPI 17.2 for the 2023/24 FY was reviewed and incorporated into KPI 18.1 of the 2024/25 FY					
<b>3.3 Human Resource Management</b>										
19	KPI 19.1: Percentage implementation of human resource development & management	100.00%	94.44%	Continuous engagements with internal stakeholders to ensure consistency in siting of the LUF.	20	KPI 20.1: Percentage compliance with HRM & D reporting requirements	100.00%	100.00%	N/A	N/A
20	KPI 20.1: Percentage implementation of the annual HR support plan for local municipalities	100.00%	100.00%	N/A	21	KPI 21.1: Percentage implementation of the annual HR support plan	100.00%	100.00%	N/A	N/A

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/25 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
3.4 Records Management and Office Support										
21	KPI 21.1: Percentage implementation of the annual records management and advisory plan	100.00%	100.00%	N/A	22	KPI 22.1: Percentage implementation of the annual records management and advisory plan	100.00%	100.00%	N/A	N/A
21	KPI 22.1: Percentage implementation of the annual records management and advisory support plan	100.00%	100.00%	N/A	22	KPI 22.2: Percentage implementation of the annual records management and advisory support plan	100.00%	100.00%	N/A	N/A
22	KPI 23.1: Percentage implementation of the office support plan	100.00%	100.00%	N/A	23	KPI 23.1: Percentage implementation of the office support plan	100.00%	100.00%	N/A	N/A
23	KPI 23.1: Percentage implementation of the municipal buildings maintenance plan	100.00%	100.00%	N/A	24	KPI 24.1: Percentage maintenance of the municipal building	100.00%	100.00%	N/A	N/A
3.5 Information Communication Technology (ICT)										
24	KPI 24.1: Percentage upgrading of ICT infrastructure and implementation of the ICT systems	100.00%	100.00%	N/A	25	KPI 25.1: Percentage upgrading of ICT infrastructure and implementation of ICT solutions	100.00%	100.00%	N/A	N/A
25	KPI 25.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	26	KPI 26.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	N/A

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/25 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA.3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
3.6 Integrated Development Planning (IDP)										
26	KPI 26.1: Percentage development and review of the district municipal IDP	100.00%	100.00%	N/A	27	KPI 27.1: Percentage development and review of the district IDP	100.00%	100.00%	N/A	N/A
27	KPI 27.1: Percentage support to local municipalities in the development and review of their IDPs	100.00%	100.00%	N/A	28	KPI 28.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	N/A
3.7 Spatial Planning										
28	KPI 28.1: Percentage of land development applications received from IMs processed	100.00%	100.00%	N/A	32	KPI 32.1: Percentage of land development applications received from IMs processed	100.00%	100.00%	N/A	N/A
28	KPI 28.1: Percentage progress on the development of 2x precinct plans	100.00%	92.84%	The project has been completed in the 2024/25 FY.	32	KPI 32.1: Percentage development of a Nodal Plan for Phokwane LM	100.00%	100.00%	N/A	N/A
No target was set for this KPI in the 2023/2024 FY SDBIP					32	KPI 32.3: Percentage progress on the development of a Precinct Plan for Magereng LM	200.00%	100.00%	N/A	N/A

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/25 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
<b>KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.</b>										
<b>3.8 Geographical Information System (GIS)</b>										
29	KPI 29.1: Percentage access and maintenance of GIS in the district	100.00%	100.00%	N/A	31	KPI 31.1: Percentage access and maintenance of GIS in the district	100.00%	100.00%	N/A	N/A
<b>3.9 Performance management (PMS)</b>										
30	KPI 30.1: Percentage implementation of the performance management annual plan	100.00%	100.00%	N/A	29	KPI 29.1: Percentage compliance on PMS in FDDM	100.00%	100.00%	N/A	N/A
31	KPI 31.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	30	KPI 30.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	N/A
<b>KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
<b>4.1 Communication and Media</b>										
32	KPI 32.1: Percentage implementation of the annual external communication action plan	100.00%	100.91%	One additional radio talk show was implemented, which focused on the Local Economic Summit.	33	KPI 33.1: Percentage implementation of an annual action plan	100.00%	109.92%	An additional radio talk show was necessary to create awareness against illegal sales of medication by tuckshops in the district.	N/A
32	KPI 32.2: Percentage development of communication policies	100.00%	100.00%	N/A	No target was set for this KPI in the 2024/2025 FY SDBIP					
33	KPI 33.1: Percentage implementation of the internal communication plan	100.00%	100.00%	N/A	34	KPI 34.1: Percentage implementation of the internal communication plan	100.00%	100.00%	N/A	N/A

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/25 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
4.2 Risk Management										
34	KPI 34.1- Percentage implementation of annual risk plan for FBDM	100.00%	100.00%	N/A		KPI 34.1 for the 2023/24 FY was reviewed and incorporated into KPI 35.1 of the 2024/25 FY				
34	KPI 34.2- Percentage implementation of the annual risk plan for Diligatong & Magareng IMS	100.00%	100.00%	N/A	35	KPI 35.1- Percentage implementation of the risk management plan for FBDM, MLM & DLM	100.00%	100.00%	N/A	N/A
35	KPI 35.1- Percentage implementation of annual fraud and anti-corruption plan for FBDM	100.00%	100.00%	N/A		KPI 35.1 for the 2023/24 FY was reviewed and incorporated into KPI 36.1 of the 2024/25 FY				
35	KPI 35.2- Percentage implementation of annual fraud and anti-corruption plan for Diligatong & Magareng IMS	100.00%	100.00%	N/A	36	KPI 36.1- Percentage implementation of a fraud management plan for FBDM, MLM & DLM	100.00%	100.00%	N/A	N/A
4.3 Internal Audit										
36	KPI 36.1- Percentage implementation of the approved internal audit plans (FBDM and DLMs)	100.00%	100.00%	N/A	37	KPI 37.1- Percentage implementation of the annual audit plans (FBDM/DLM and MLM)	100.00%	100.00%	N/A	N/A

Objective IV as per the 2023/24 SDRP	KPI (DESCRIPTION)	2023/24 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective IV as per the 2024/25 SDRP	KPI (DESCRIPTION)	2024/25 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
<b>IPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
<b>4.4 Legal and Compliance Services</b>										
37	KPI 37.1: Percentage provision of legal and compliance services in the district	100.00%	100.00%	N/A	38	KPI 38.1: Percentage provision of legal advice and compliance services in the district	100.00%	100.00%	N/A	N/A
38	KPI 38.1: Percentage provision of legal contract services	100.00%	100.00%	N/A	39	KPI 39.1: Percentage provision of legal contract services	100.00%	100.00%	N/A	N/A
<b>4.5 Council and committees services</b>										
39	KPI 39.1: Percentage facilitation of council and its committee meetings	100.00%	100.00%	N/A	40	KPI 40.1: Percentage facilitation of council and its committee meetings	100.00%	100.00%	N/A	N/A
<b>4.6 Youth Services</b>										
40	KPI 40.1: Number of stakeholder engagement platforms facilitated	4	1	Developed a communications strategy aimed at alternative and relevant methods of engaging stakeholders.	41	KPI 41.1: Number of stakeholders engagement platforms facilitated	4	4	N/A	N/A
40	KPI 40.2: Percentage coordination of youth development programmes	100.00%	50.00%	Created awareness for the qualifying criteria for participants on the mayors sports programme.	41	KPI 41.2: Percentage coordination of youth development programmes	100.00%	100.00%	N/A	N/A
<b>4.7 Special Programmes</b>										
41	KPI 41.1: Percentage facilitation and coordination of special programmes in the district	100.00%	87.50%	Proper measures were set in place to commemorate the human rights programme.	42	KPI 42.1: Percentage facilitation and coordination of special programmes in the district	100.00%	87.50%	A similar commemoration activity in the district with the same stakeholders was held.	The district CG structures must adopt a consolidated calendar of the commemorative days to avoid duplication.

Objective Nr as per the 2023/2024 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2024/25 SDBIP	KPI (DESCRIPTION)	2024/2025 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
5.1 Budget and Treasury										
42	KPI 43.1: Percentage compliance to budgeting and reporting requirements	100.00%	100.00%	N/A	43	KPI 43.1: Percentage compliance to budgeting and reporting requirements	100.00%	100.00%	N/A	N/A
43	KPI 44.1: Percentage implementation of sound financial management practices (Revenue/expenditure)	100.00%	100.00%	N/A	44	KPI 44.1: Percentage implementation of sound financial management ( revenue& expenditure)	100.00%	100.00%	N/A	N/A
44	KPI 45.1: Percentage implementation of the financial management support plan	100.00%	100.00%	N/A	45	KPI 45.1: Percentage compliance with treasury supply chain management system	100.00%	100.00%	N/A	N/A
45	KPI 46.1: Percentage compliance with National Treasury supply chain management system	100.00%	100.00%	N/A	46	KPI 46.1: Percentage financial management support provided to supply chain management system	100.00%	100.00%	N/A	N/A

FRANCES BAARD DISTRICT MUNICIPALITY		
SUMMARY OF MUNICIPAL PERFORMANCE 01 JULY 2023 - 30 JUNE 2024 (ANNUAL)		
Number of Key Performance Indicators Measured For The 2023/2024 Financial Year	72	100.00%
1. Targets achieved	51	70.8%
2. Targets not achieved	15	20.83%
3. Targets Exceeded	6	8.33%
4. Overall achievement (Targets achieved + targets exceeded)	57	78.17%

FRANCES BAARD DISTRICT MUNICIPALITY		
SUMMARY OF MUNICIPAL PERFORMANCE: 01 JULY 2024 - 30 JUNE 2025 (ANNUAL)		
Number of Key Performance Indicators Measured For The 2024/2025 Financial Year	65	100.00%
1. Targets achieved	50	76.9%
2. Targets not achieved	8	12.30%
3. Targets Exceeded	7	10.76%
4. Overall achievement (Targets achieved + targets exceeded)	57	87.69%

# Chapter 4 - Organisational Development Performance

## 4.1 Introduction

The 2024/2025 financial year marked a period of significant growth and transformation for the Human Resources (HR) Department. Guided by the constitutional mandate of Local Government, relevant legislative frameworks, and the Municipality's organisational strategies, the HR Section continued to play a critical role in supporting Frances Baard District Municipality (FBDM) in achieving its strategic objectives.

Our overarching focus has been on strengthening our workforce, enhancing employee engagement, and fostering a culture of continuous improvement:

- To give effect to our organisational vision and mission, the HR Section endeavours to:
- Empower employees to maximise their potential and meet organisational requirements.
- Align HR strategies with the Integrated Development Plan (IDP), legislative requirements, and recognised best practices.
- Promote equity, fairness, objectivity, and consistency in all HR practices.
- Cultivate a high-morale, motivated workforce committed to public service.
- Uphold professional HR management standards and advance HR knowledge.
- Ensure efficient, effective, and transparent personnel administration systems.
- Provide continuous HR support to local municipalities within the District.

Our values remain rooted in recognising employees as the Municipality's most valuable resource, maximising human potential, and promoting diversity and inclusion.

### Recruitment and Talent Acquisition

During the year under review, FBDM successfully recruited across various departments, strengthening critical service delivery areas. A more inclusive and robust recruitment process resulted in improved workforce diversity and a reduced vacancy rate of below 5.16%.

Despite this progress, the recruitment of senior managers remains a challenge due to remuneration limitations and regulatory provisions in the Municipal Systems Act. Currently, four of the five Section 56 senior management positions remain vacant, with only the Municipal Manager position filled.

### Training and Development

Recognising employees as key assets, FBDM continued to invest in their development through bursaries, training, and education programmes aimed at improving skills and performance.

This year saw the introduction of an online learning platform in partnership with accredited institutions, aligned with the Fourth Industrial Revolution (4IR) principles. This initiative increased accessibility and participation, enabling employees to pursue continuous learning at their convenience.

Training interventions covered both technical and leadership competencies, supporting career growth and improved service delivery capacity.

### Employee Engagement and Retention

Employee engagement and retention remain central to sustaining organisational performance. During 2024/2025, FBDM recorded an improved retention rate, attributed to several initiatives:

- Enhanced internal communication and consultation mechanisms.
- Flexible work arrangements where applicable.
- Expanded recognition and reward programmes.

These interventions contributed to a more motivated and committed workforce, positively impacting overall organisational productivity.

### **Employee Health and Wellness**

Employee well-being continues to be a strategic HR priority. The Municipality expanded its wellness portfolio to include:

- Mental health workshops and wellness days.
- Fitness and lifestyle challenges.
- Access to confidential counselling services through the Employee Assistance Programme (EAP).

These initiatives promote holistic well-being and work-life balance, enhancing staff morale and organisational cohesion. Team-building activities further reinforced collaboration and strengthened workplace relationships.

### **Future Outlook**

Looking ahead, the HR Department will prioritise:

- Strengthening leadership and management development.
- Enhancing recruitment and retention strategies for scarce skills.
- Promoting an innovative, inclusive, and agile workforce culture.

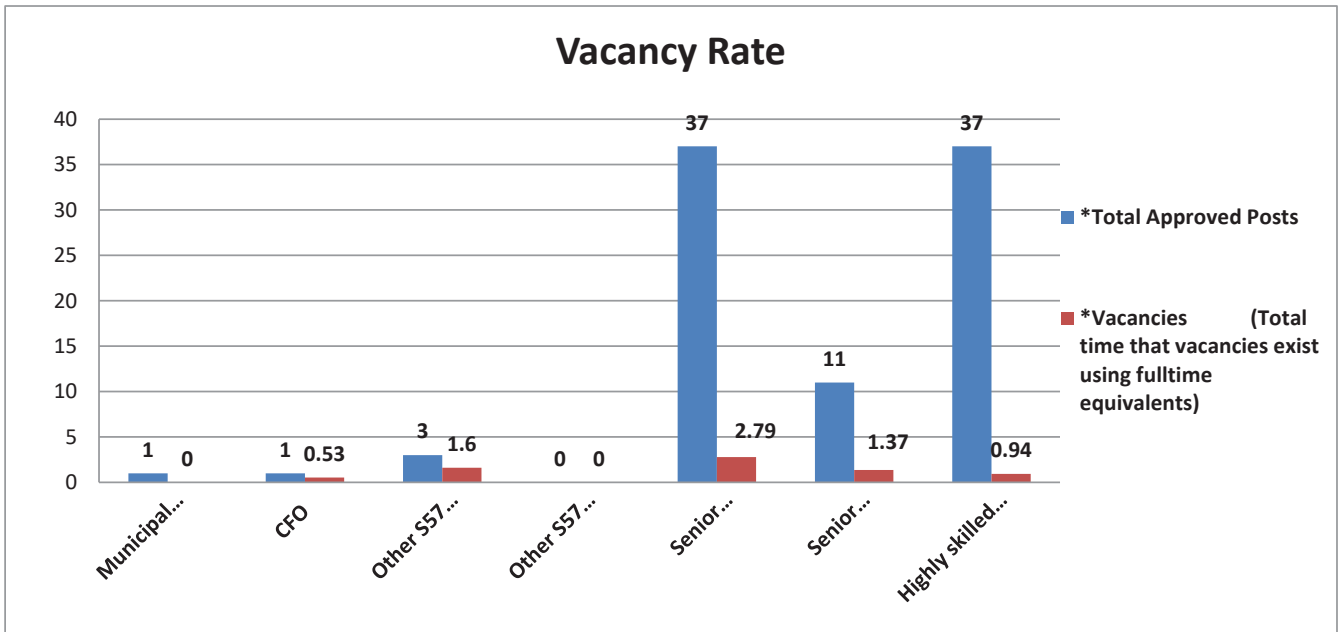
The 2024/2025 financial year reflects measurable progress and a renewed commitment to employee empowerment and organisational excellence. HR remains steadfast in supporting FBDM's mission to deliver quality services to the communities it serves.

Employees					
Description	2023/24	2024/25			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Municipal Manager & Section 56 Managers	1	5	1	4	53
Housing Services	4	14	4	10	
Programme Management & Advisory Services (incl. secretary)	6	7	6	1	
Town & Regional Planning Services (includes secretary to Director)	4	4	4	0	
Integrated Development Planning (IDP)	1	2	1	1	
Geographic Information System Services	2	2	2	0	
Local Economic Development Services	6	7	7	0	
Environmental Health Services	8	8	8	0	
Fire Fighting & Disaster Management	9	14	9	5	
Executive & Council	9	11	8	3	14
Office of Municipal Manager	8	9	8	2	11
Corporate & Human Resource Services	27	35	33	3	1
ICT Services	3	3	2	1	
Financial Services	13	19	13	6	
<b>Totals</b>	<b>101</b>	<b>140</b>	<b>106</b>	<b>36</b>	

Description	Incumbents
Political office bearers	29
Internship programme	18

Interns per unit			
Description	Incumbents	Description	Incumbents
LED	4	Internal Audit	2
Tourism	4	Legal Services	1
PMS/IDP	2	IT	1
Finance	4		

Vacancy Rate: 2024/25			
Designations	Total Approved Posts	Vacancies (Total time that vacancies exist using full-time equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0.53	53.00
Other S57 Managers (excluding Finance Posts)	3	1.6	53.33
Other S57 Managers (Finance posts)	0	0	0.00
Senior management: Levels 13-17 (excluding Finance Posts)	37	2.79	7.54
Senior management: Levels 13-18 (Finance posts)	11	1.37	12.45
Highly skilled supervision: levels 9-12 (excluding Finance posts)	37	0.94	2.54
Highly skilled supervision: levels 9-12 (Finance posts)	2	1.06	53.00
<b>Total</b>	<b>92</b>	<b>8.29</b>	<b>9.01</b>



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate
2022/23	14	21	150%
2023/24	18	16	89%
2024/25	11	15	136%

## 4.2 Managing the municipal employee costs

Effective management of employee costs is essential to maintaining financial sustainability. The National Treasury norm provides a guideline that personnel-related expenditure should not exceed 35% of the total municipal budget.

During the 2024/2025 financial year, FBDM’s personnel budget accounted for 53.41% of total expenditure - exceeding the norm by 18.41%. This percentage includes the remuneration of both councillors and officials.

The HR and Finance departments continue to monitor employee-related costs closely, ensuring compliance with financial norms while maintaining the capacity required for effective service delivery

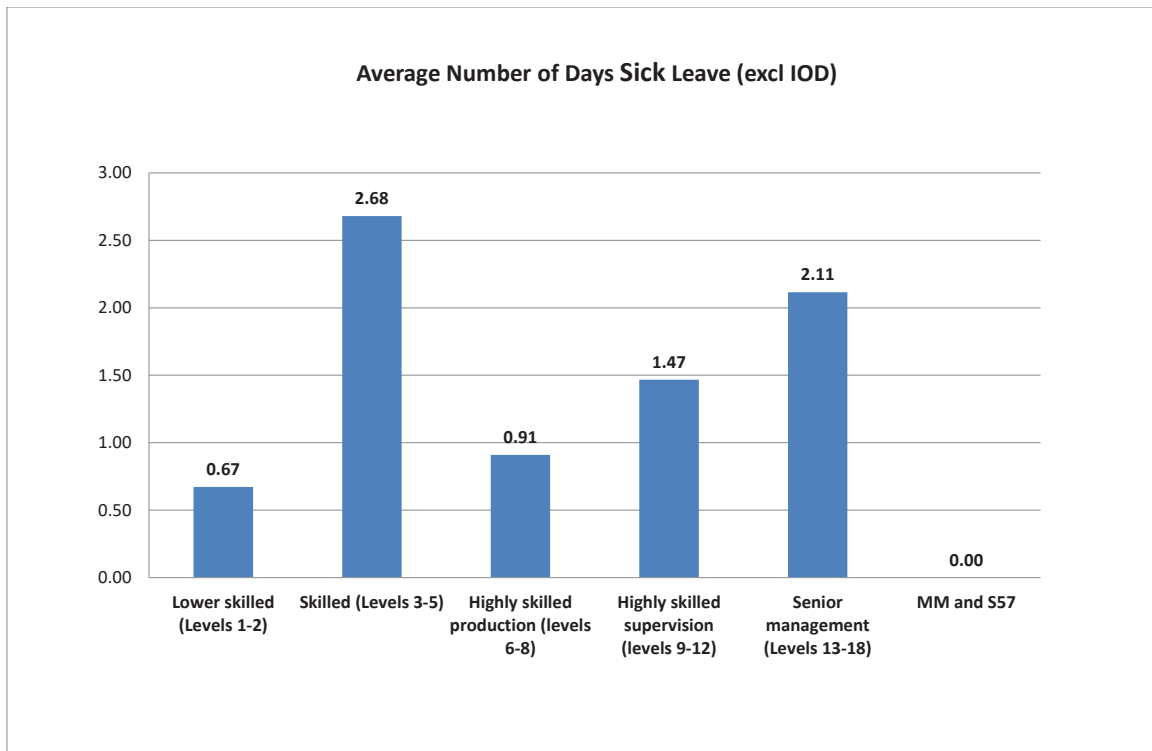
HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
None. (The municipality is currently reviewing all HR policies in order to be aligned with the Municipal Staff Regulations)				

### 4.3 Injuries, sickness and suspensions

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R '000
Required basic medical attention only	6	1	16.67%	1.2	4
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>1</b>	<b>16.67%</b>	<b>1.2</b>	<b>4</b>

Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification (3 days or more) %	Employees using sick leave No.	Total employees in post* No.	**Average sick leave per Employees Days	Estimated cost R' 000
Interns	82	0%	18	18	0.67	31
Skilled (Levels 3-5)	327	0%	18	19	2.68	293
Highly skilled production (levels 6-8)	111	0%	10	15	0.91	119
Highly skilled supervision (levels 9-12)	179	0%	21	28	1.47	292
Senior management (Levels 13-18)	258	0%	31	41	2.11	749
MM and S57	0	0%	0	1	0.00	0
<b>Total</b>	<b>957</b>	<b>0%</b>	<b>98</b>	<b>122</b>	<b>7.84</b>	

\* Number of employees in post at the beginning of the year  
 \*\* Average is calculated by taking sick leave in column 3 divided by total employees in column 4



Number and period of suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
None				

Disciplinary action taken on cases of financial misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None			

Performance rewards by gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2024/25 (R)	Proportion of beneficiaries within group %
MM and S57	Female	2	2	290,596.99	100%
	Male	2	2	154,598.32	100%
<b>Total</b>					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes

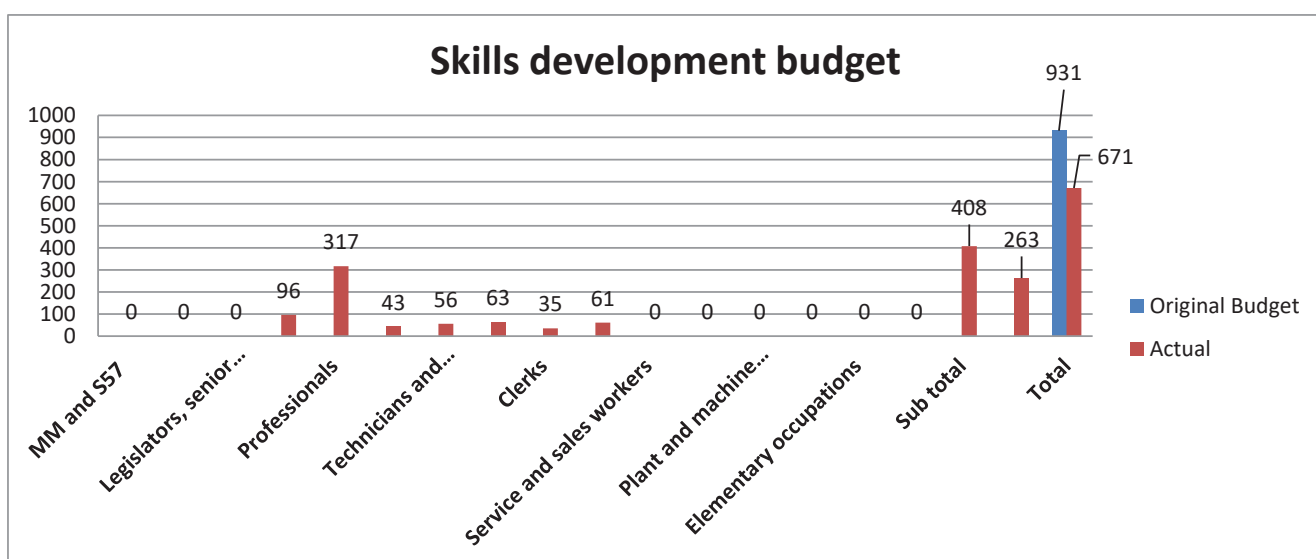
#### 4.4 Capacitating the municipal workforce

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4) (a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4) (a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: number of officials whose performance agreements comply with Regulation 14(4) (Regulation 14(4) (f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4) (e))
Financial Officials	0	0	0	0	0	0
Accounting officer	1	0	1	1	0	1
Chief financial officer	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Any other financial officials	16	0	16	1	0	7
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>8</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)

Skills Development Expenditure							
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development for 2024/25				
			Learnerships	Skills programmes & other short courses	Other forms of training	Total R'000	
			No.	Actual	Actual	Actual	Original Budget
MM and S57	Female	1	0	0	0	931	0
	Male	0	0	0	0		0
Legislators, senior officials and managers	Female	15	0	0	0		0
	Male	13	0	3	0		96
Professionals	Female	17	0	17	1		317
	Male	14	0	3	0		43
Technicians and associate professionals	Female	2	0	2	1		56
	Male	3	0	3	1		63
Clerks	Female	21	0	1	1		35
	Male	16	0	0	2		61
Service and sales workers	Female	0	0	0	0		0
	Male	0	0	0	0		0
Plant and machine operators and assemblers	Female	0	0	0	0		0
	Male	0	0	0	0		0
Elementary occupations	Female	7	0	7	0	0	
	Male	5	0	4	0	0	
Sub total	Female	63	0	27	4	408	
	Male	51	0	13	3	263	
<b>Total</b>		<b>114</b>	<b>0</b>	<b>40</b>	<b>7</b>	<b>931</b>	<b>671</b>
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.						%*	

Note: The total original budget is made up of training and bursaries. The training budget was R931,250 and the bursaries budget R450,000 for the 2024/25 financial year.



The district successfully developed and submitted the Workplace Skills Plan (WSP) for 2024/2025 on April 30, 2024. The WSP includes the Annual Training Report for 2023/2024 and the training plan for 2024/2025. The municipality committed approximately one percent of its wage bill to skills development programs. The WSP informs the Local Government Sector Education & Training Authority (LGSETA) about the accredited and Continuous Professional Development (CPD) training the organization will provide to employees in the next 12 months.

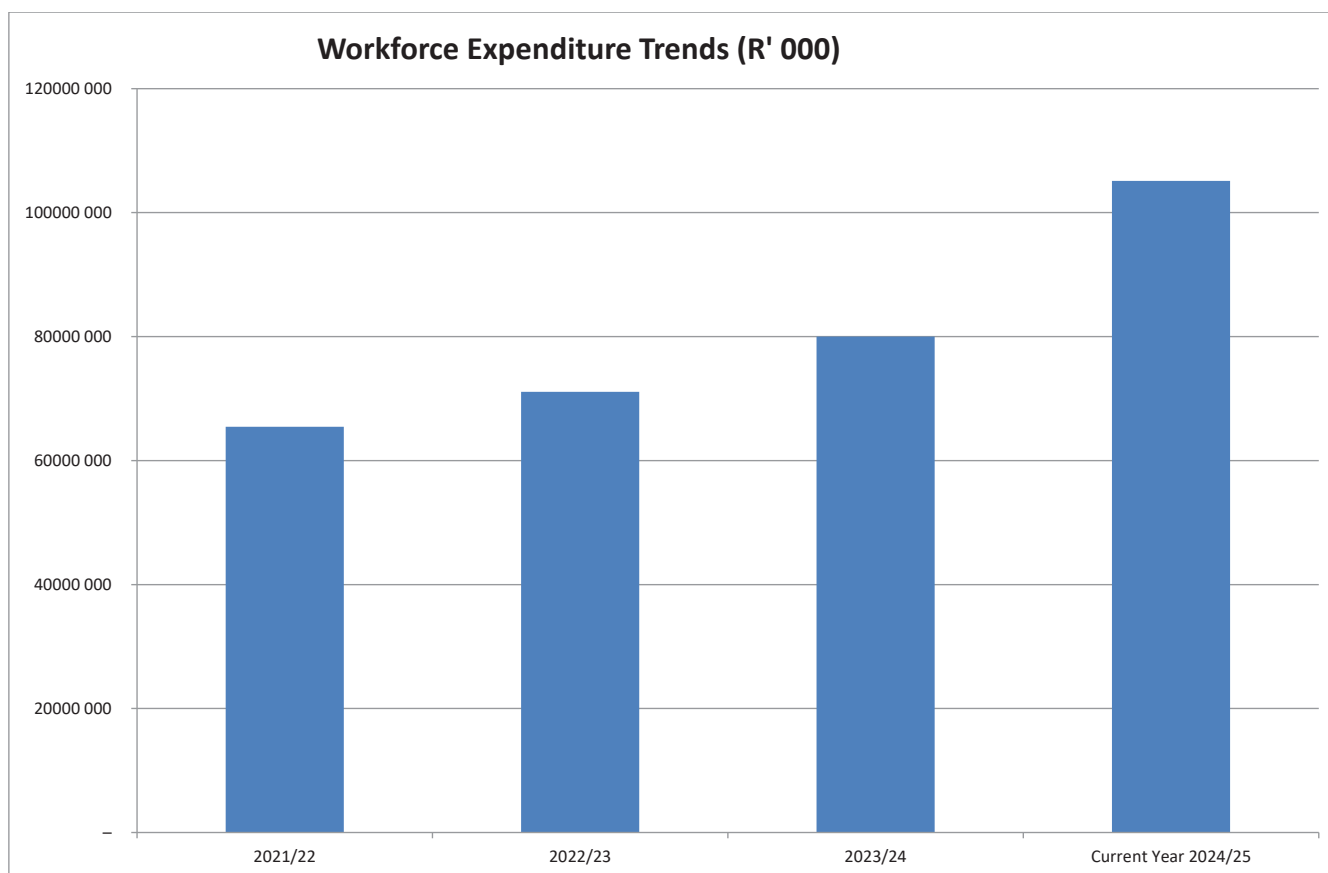
Additionally, through the WSP, skills programs, learnership, and internship opportunities for both employees and unemployed youth are identified. This is based on the operational requirements of the organization, its industry, and the critical skills identified by the SETA. All training conducted is guided by the plan developed to ensure transparency and efficiency in managing the budget allocated for such programs.

The development of a WSP document begins with a skills audit exercise in which employees submit their training needs for the upcoming financial year. These training needs are costed by the skills development facilitator and the budget office to ensure accuracy before being included in the final WSP document.

#### 4.5 Managing the workforce expenditure

During the 2024/2025 financial year, the District Municipality exceeded the National Treasury’s personnel expenditure norm of 35%. This deviation is primarily attributed to the Municipality’s strategic, outward-looking approach aimed at strengthening its internal capacity and providing technical support to local municipalities within the District.

To effectively address the shortage of scarce and critical skills, the Municipality continued to attract and appoint highly skilled and dedicated professionals in key areas such as engineering, integrated development planning (IDP), internal auditing, risk management, and financial management. This investment in human capital is essential to ensuring that both the District and its local municipalities are adequately supported in delivering quality and sustainable services to communities



Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (TASK 1- 3)	Female	None
	Male	None
Skilled (TASK 4 - 8)	Female	None
	Male	None
Highly skilled production (TASK 9 - 13)	Female	None
	Male	None
Highly skilled supervision (TASK 14 -18)	Female	None
	Male	None
Senior management (TASK 19 - 26)	Female	None
	Male	None
MM and S57	Female	None
	Male	None
<b>Total</b>		<b>0</b>

Employees whose salary levels exceed the grade determined by job evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. Appointed	Reason for appointment when no established post exist
None				

# Chapter 5 - Financial Performance

## 5.1 Introduction

The municipality maintained an unqualified audit opinion with no findings on the financial statements, which indicates no material misstatements were identified. This audit outcome has been maintained for the past 6 years. It was further assessed by the Auditor-General that the municipality maintained good internal controls in financial management.

Government grants remain the main source of our revenue with the municipality only collecting about 9% as its own revenue. The growth in income is limited to the current inflation rate and an increase in the GDP that is expected to be less than 1.5%. Despite the fact that the low economic growth has a negative impact on the revenue of the municipality, the municipality still managed to allocate funds in various projects of the local municipalities particularly on the infrastructure projects, to insure a sustainable high level of involvement in the district.

Considering that the municipality relies heavily on grant funding to finance its operations, it still succeeded in building the capacity of the local municipalities in its area of jurisdiction to assist them to perform their functions and exercise their powers. Notwithstanding the negative economic growth forecast, the municipality was able to spend R4 215 902 (2023/24: R24 505 801) towards infrastructure assets, repairs & maintenance, advisory services and creation of job opportunities to make a difference within the communities in the district. The spending relates to the allocations made to the local municipalities from the district.

The current ratio which is used to measure the municipality's ability to pay its bills is calculated by dividing the current assets by the municipality's current liabilities, the ratio for the year is 6.22. The favourable ratio indicates that the municipality has ensured that the liabilities are kept at a minimal with an increase of its assets. The municipality is therefore able to comfortably pay its current liabilities with the cash available at year end and is an indication that the municipality will be able to meet its short to medium term commitments.

## 5.2 Summary of financial performance

Financial Summary							R' 000
Description	2023/24	Current Year: 2024/25		2024/25 Variance			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget	
<b>Financial Performance</b>							
Property rates	–	–	–	–	–	–	
Service charges	–	–	–	–	–	–	
Investment revenue	13 344	9 600	9 600	13 827	30.57%	30.57%	
Transfers recognised - operational	141 488	150 819	150 920	147 618	-2.17%	-2.24%	
Other own revenue	496	171	171	1 440	88.11%	88.11%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>155 328</b>	<b>160 590</b>	<b>160 691</b>	<b>162 885</b>	<b>1.41%</b>	<b>1.35%</b>	
Employee costs	72 930	98 526	89 804	74 045	-33.06%	-21.28%	
Remuneration of councillors	7 735	8 252	8 723	8 544	3.42%	-2.10%	
Debt impairment	314	–	–	3 935	100.00%	100.00%	
Depreciation & asset impairment	4 986	6 363	6 363	4 669	-36.29%	-36.29%	
Finance charges	–	–	–	–	–	–	
Materials and bulk purchases	1 145	2 340	2 360	1 140	-105.25%	-107.01%	
Transfers and grants	42 999	16 167	27 863	25 000	35.33%	-11.45%	
Other expenditure	22 706	47 147	49 373	30 968	-52.24%	-59.43%	
<b>Total Expenditure</b>	<b>152 815</b>	<b>178 794</b>	<b>184 486</b>	<b>148 301</b>	<b>-20.56%</b>	<b>-24.40%</b>	
<b>Surplus/(Deficit)</b>	<b>2 513</b>	<b>(18 204)</b>	<b>(23 795)</b>	<b>14 584</b>	<b>224.82%</b>	<b>263.16%</b>	
Transfers recognised - capital	–	–	–	–	–	–	
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2 513</b>	<b>(18 204)</b>	<b>(23 795)</b>	<b>14 584</b>	<b>224.82%</b>	<b>263.16%</b>	
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	
<b>Surplus/(Deficit) for the year</b>	<b>2 513</b>	<b>(18 204)</b>	<b>(23 795)</b>	<b>14 584</b>	<b>224.82%</b>	<b>263.16%</b>	
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>(4 094)</b>	<b>10 717</b>	<b>4 742</b>	<b>3 274</b>	<b>-227.32%</b>	<b>-44.84%</b>	
Transfers recognised - capital	–	43	43	–	–	–	
Public contributions & donations	–	–	–	–	–	–	
Borrowing	–	–	–	–	–	–	
Internally generated funds	(4 094)	10 674	4 699	3 274	-226.01%	-43.53%	
<b>Total sources of capital funds</b>	<b>(4 094)</b>	<b>7 565</b>	<b>7 517</b>	<b>3 274</b>	<b>-131.06%</b>	<b>-129.59%</b>	

Financial Summary							R' 000
Description	2023/24	Current Year: 2024/25			2024/25 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
<b>Financial position</b>							
Total current assets	138 077	132 846	150 112	159 142	16.52%	5.67%	
Total non current assets	79 432	80 231	76 620	76 412	-5.00%	-0.27%	
Total current liabilities	28 370	42 194	55 776	25 605	-64.79%	-117.83%	
Total non current liabilities	29 111	31 199	31 853	32 749	4.73%	2.74%	
Community wealth/equity	160 029	139 385	139 104	177 200	21.34%	21.50%	
<b>Cash flows</b>							
Net cash from (used) operating	2 520	(19 512)	(7 220)	29 729	165.63%	124.29%	
Net cash from (used) investing	(2 834)	(12 325)	(5 454)	(3 252)	-278.97%	-67.69%	
Net cash from (used) financing	–	–	–	–	–	–	
<b>Cash/cash equivalents at the year end</b>	<b>113 099</b>	<b>92 577</b>	<b>110 825</b>	<b>139 576</b>	<b>33.67%</b>	<b>20.60%</b>	
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	123 499	110 601	121 963	149 376	25.96%	18.35%	
Application of cash and investments	10 775	14 887	21 203	98 000	84.81%	78.36%	
<b>Balance - surplus (shortfall)</b>	<b>112 725</b>	<b>95 714</b>	<b>100 760</b>	<b>51 376</b>	<b>-86.30%</b>	<b>-96.12%</b>	
<b>Asset management</b>							
Asset register summary (WDV)	72 773	71 382	68 700	69 671	-2.46%	1.39%	
Depreciation & asset impairment	4 986	6 363	6 363	4 669	-36.29%	-36.29%	
Renewal of Existing Assets	5 987	9 012	3 012	3 274	-175.24%	8.01%	
Repairs and Maintenance	4 108	6 088	7 987	5 119	-18.93%	-56.03%	
<b>Free services</b>							
Cost of Free Basic Services provided	–	–	–	–	–	–	
Revenue cost of free services provided	–	–	–	–	–	–	
<b>Households below minimum service level</b>							
Water:	–	–	–	–	–	–	
Sanitation/sewerage:	–	–	–	–	–	–	
Energy:	–	–	–	–	–	–	
Refuse:	–	–	–	–	–	–	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1							

Financial Performance of Operational Services							R '000
Description	2023/24	2024/25			2024/25 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water	–	–	–	–	–	–	
Waste Water (Sanitation)	–	–	–	–	–	–	
Electricity	–	–	–	–	–	–	
Waste Management	–	–	–	–	–	–	
Housing	4 042	3 403	3 403	3 793	10.28%	10.28%	
Component A: sub-total	4 042	3 403	3 403	3 793	10.28%	10.28%	
Waste Water (Stormwater Drainage)	–	–	–	–	–	–	
Roads	–	–	–	–	–	–	
Transport	–	–	–	–	–	–	
Component B: sub-total	–	–	–	–	–	–	
Planning	48 579	46 549	56 486	53 669	13.27%	-5.25%	
Local Economic Development	–	–	–	–	–	–	
Component B: sub-total	48 579	46 549	56 486	53 669	13.27%	-5.25%	
Planning (Strategic & Regulatory)	–	–	–	–	–	–	
Local Economic Development	–	–	–	–	–	–	
Component C: sub-total	–	–	–	–	–	–	
Community & Social Services	–	–	–	–	–	–	
Environmental Protection	9 735	12 498	12 584	7 351	-70.01%	-71.18%	
Health	–	–	–	–	–	–	
Security and Safety	–	–	–	–	–	–	
Sport and Recreation	–	–	–	–	–	–	
Corporate Policy Offices and Other	80 250	116 345	112 014	83 488	-39.36%	-34.17%	
Component D: sub-total	89 985	128 842	124 598	90 839	-41.84%	-37.16%	
<b>Total Expenditure</b>	<b>142 607</b>	<b>178 794</b>	<b>184 486</b>	<b>148 301</b>	<b>-20.56%</b>	<b>-24.40%</b>	

### 5.3 Grants

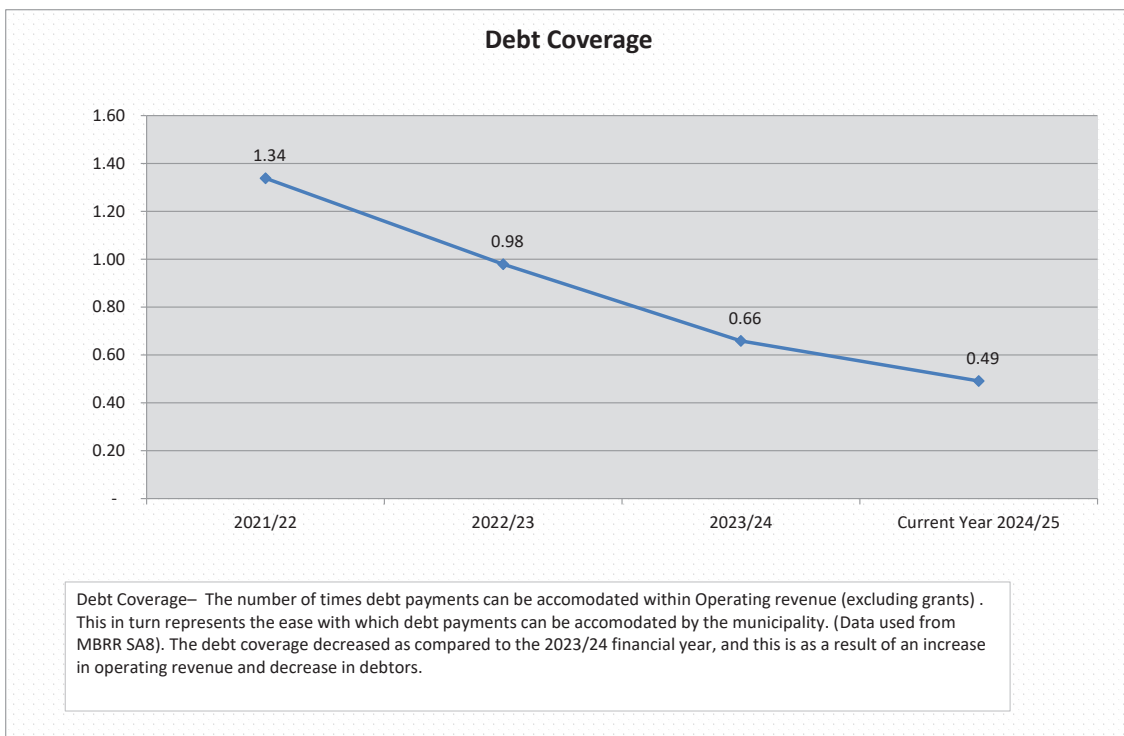
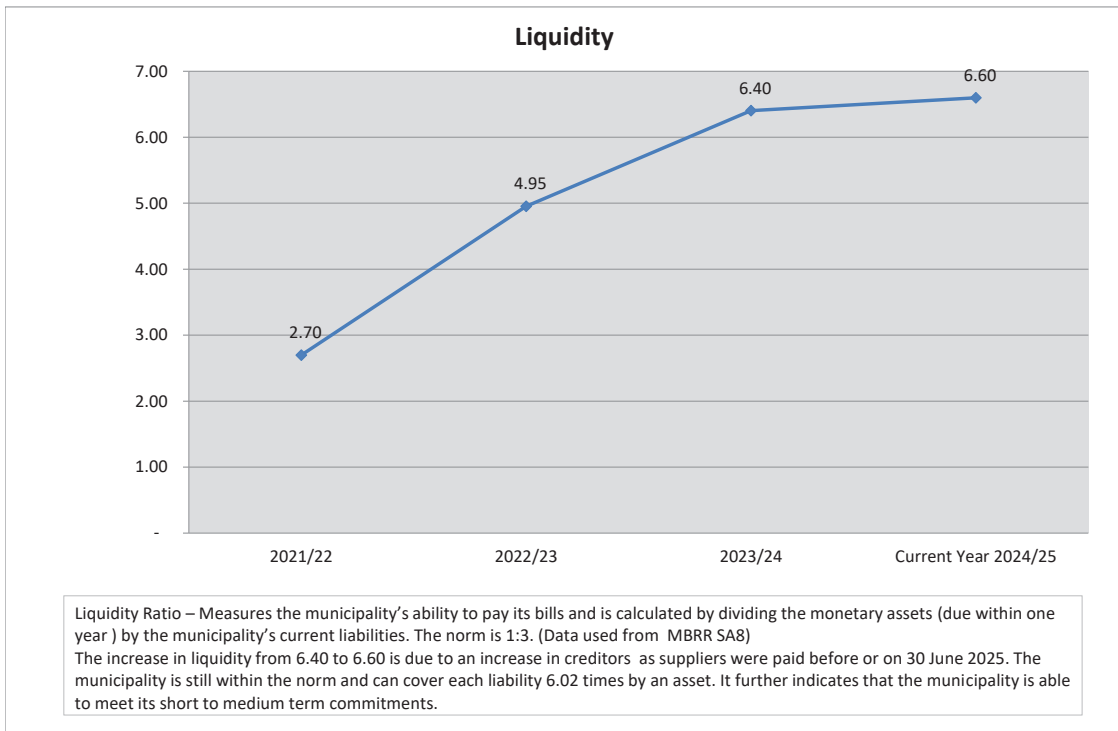
Grant Performance							R' 000
Description	2023/24	2024/25		2024/25 Variance			
	Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>140 597</b>	<b>148 236</b>	<b>148 236</b>	<b>147 479</b>	<b>-0.51%</b>	<b>-0.51%</b>	
Local Government Equitable Share	136 271	139 133	139 133	139 133	0.00%	0.00%	
Expanded Public Works Programme Integrated Grant	959	1 274	1 274	1 274	–	–	
Local Government Financial Management Grant	703	1 000	1 000	554	-80.50%	-80.50%	
Municipal Disaster Recovery Grant	–	4 000	4 000	3 720	-7.53%	-7.53%	
Municipal Systems Improvement Grant	–	–	–	–	–	–	
Rural Road Asset Management Systems Grant	2 664	2 829	2 829	2 798	-1.11%	-1.11%	
<b>Provincial Government:</b>							
Capacity Building	–	–	–	–	–	–	
Disaster and Emergency Services	–	–	–	–	–	–	
Expanded Public Works Programme	–	–	–	–	–	–	
Health	–	–	–	–	–	–	
Housing Projects	–	–	–	–	–	–	
Specify (Add grant description)	280	–	–	–	–	–	
Specify (Add grant description)	491	–	–	–	–	–	
<b>District Municipality:</b>							
–	–	–	–	–	–	–	
<b>Other grant providers:</b>							
Education Training and Development Practices SETA	119	180	180	139	-29.21%	-29.21%	
Northern Cape Economic Development Agency	–	–	–	–	–	–	
Unspecified	–	–	–	–	–	–	
<b>Total Operating Transfers and Grants</b>	<b>141 488</b>	<b>148 416</b>	<b>148 416</b>	<b>147 618</b>	<b>-1%</b>	<b>-1%</b>	

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2023/24 R '000	Actual Grant 2024/25 R '000	2024/25 Municipal Contribution R '000	Date Grant terminates	Date municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
NCPA - Housing Accreditation Grant	-	-	3 403	Ongoing	Ongoing	To enable the district municipality to obtain full accreditation to administer national housing programmes in terms of the delegation of functions from Department of Cooperative Governance, Human Settlements & Traditional Affairs.
SETA - Skills Grant	119	139	180	Ongoing	Ongoing	To be used for training and capacity building of employees as per approved Skills Work Plan.
Energy Efficiency and Demand Side Management Grant	-	3 720	4 000	Ongoing	Ongoing	To assist the district municipality with electrical issues that might occur.
Health	280	-	-	July 2024	June 2025	To assist the district municipality with aids programmes within the district.
Tourism Grant	-	491	-	July 2024	June 2025	To assist the district municipality with the hosting of the Economic summit within the district.
Expanded Public Works Programme	959	1 274	1 274	July 2024	June 2025	To assist the district municipality with cleaning programmes.
Covid-19 Grant	1 032	-	-	July 2019	June 2020	To assist the district municipality with Covid-19 expenditure.

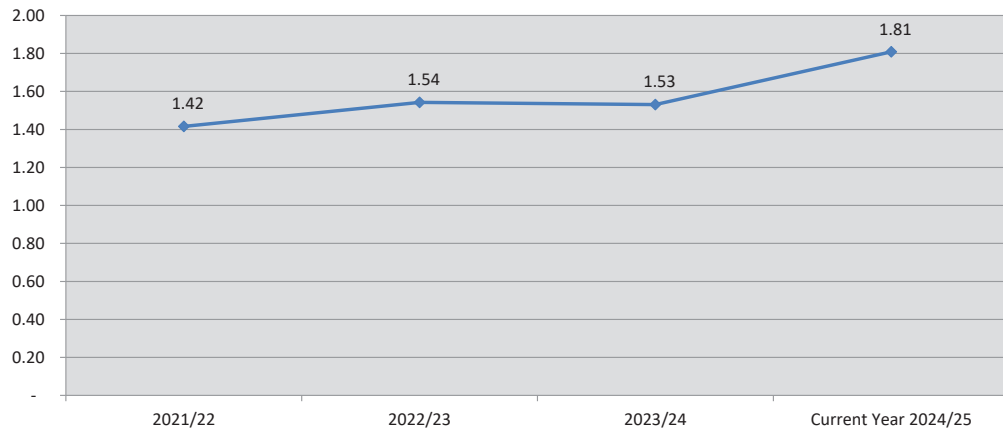
Repair and Maintenance Expenditure: 2024/25				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and maintenance expenditure	6 088	7 987	5 119	64.09%

The repairs and maintenance budget will be sufficient to cater for the repairs needed by the district municipality as the municipality does not have infrastructure assets.

## 5.4 Financial ratios based on key performance indicators

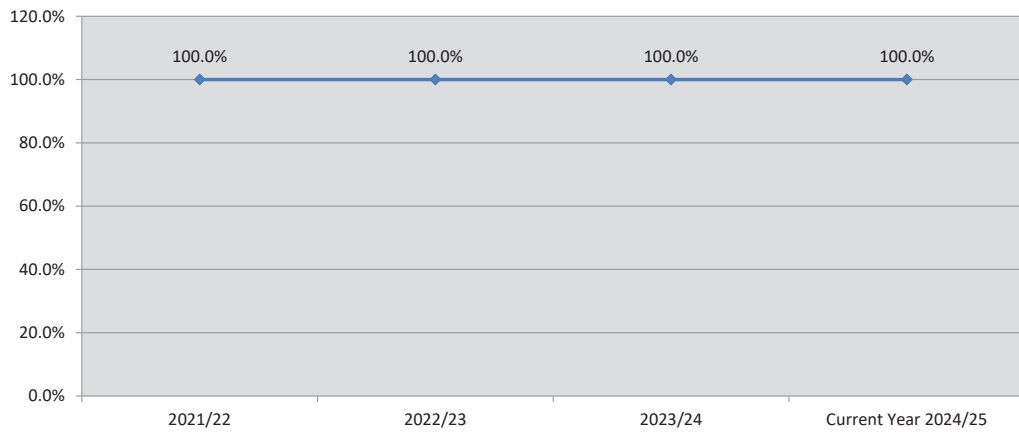


### Cost Coverage



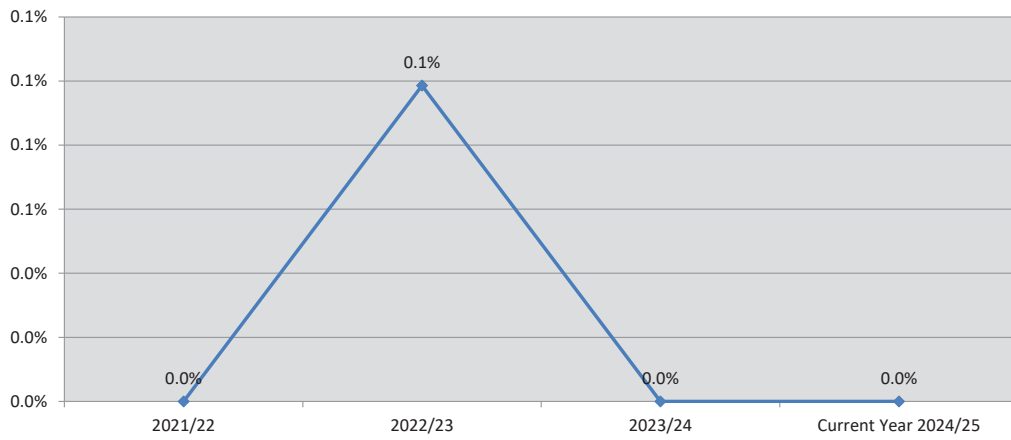
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. (Data used from MBRR SA8)  
The increase of 0.28% in the current year is a result of the increase in cash and investments.

### Creditors System Efficiency



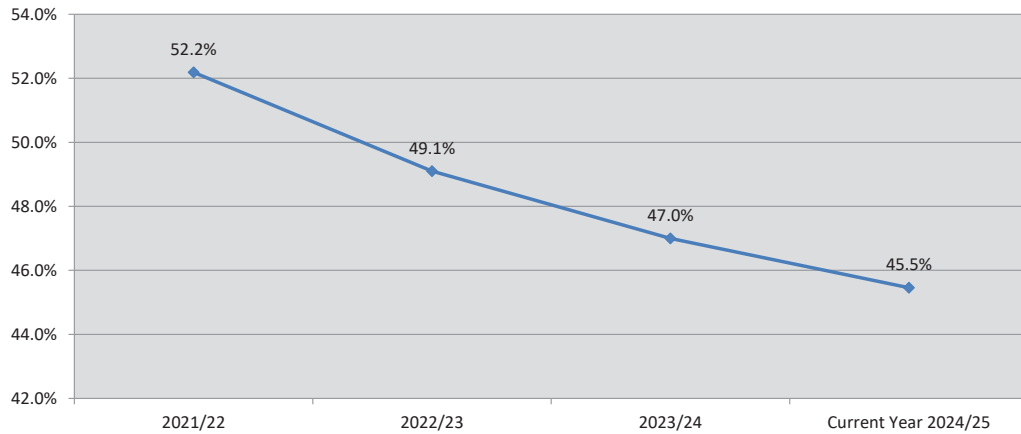
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by dividing outstanding trade creditors by credit purchases. (Data used from MBRR SA8)  
The creditors' system efficiency remained consistent during 2024/25 financial year, which is an indication of good internal controls being implemented within the municipality.

### Capital Charges to Operating Expenditure



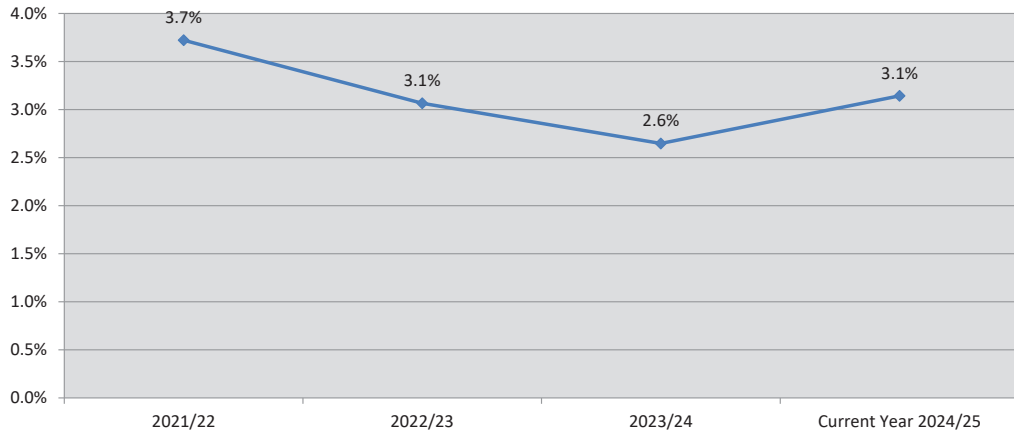
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure. (Data used from MBRR SA8)  
 The capital charges to operating expenditure remained the same in the 2024/25 financial year as the municipality does not use loans for the aquisition of its capital assets.

### Employee Costs



In terms of National Treasury's Circular employee costs must not exceed 35%. As at 30 June 2025, the employee costs were 45.5% of the total operating expenditure. Included in the actual employee costs are salaries of LED & Tourism interns and disaster practioners situated at the local municipalities, who are on the FBDM payroll. The municipality further has Environmental, Housing and Infrastruture officials who go out to the local municipalities on a daily basis to perform tasks for the local municipalities, all of these officials are remunerated by FBDM.

### Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance. (Data used from MBRR SA8)  
The variance is due to the fact that in 2024/25 financial year, repairs & maintenance on assets was mostly done, as compared to 2023/24 financial year.

## 5.5 Cash flow management and investments

The district municipality's cash and cash equivalents amount to R139m which is an increase of R26mil as compared to the previous financial year. The main contributors to the positive cash flow management of the municipality were because of the municipality generating a positive cash flow from operating activities such as vacancies at senior management level as well as savings resulting from projects.

<b>Cash Flow Outcomes</b>				
<b>R'000</b>				
<b>Description</b>	<b>2023/24</b>	<b>Current Year: 2024/25</b>		
	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Oher revenue	1 831	197	197	1 721
Government - operating	141 806	150 819	150 920	148 035
Government - capital	–	–	–	–
Interest	13 418	–	–	13 827
Dividends	–	–	–	–
<b>Payments</b>				
Suppliers and employees	(154 535)	(165 025)	(152 817)	(133 855)
Finance charges	–	–	–	–
Transfers and Grants	–	(5 502)	(5 520)	–
<b>Net cash from/(used) operating activities</b>	<b>2 520</b>	<b>(19 512)</b>	<b>(7 220)</b>	<b>29 729</b>
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	660	–	–	(578)
Decrease (increase) in non-current investments	600	–	–	600
<b>Payments</b>				
Capital assets	(4 094)	8 700	8 645	(3 274)
<b>Net cash from/(used) investing activities</b>	<b>(2 834)</b>	<b>8 700</b>	<b>8 645</b>	<b>(3 252)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	2	2	–
<b>Payments</b>				
Repayment of borrowing	–	2	2	–
<b>Net cash from/(used) financing activities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net increase/ (decrease) in cash held</b>	<b>(314)</b>	<b>(10 811)</b>	<b>1 425</b>	<b>26 476</b>
Cash/cash equivalents at the year begin:	113 413	124 413	123 499	113 099
Cash/cash equivalents at the year end:	113 099	113 602	124 924	139 576

## 5.6 GRAP Compliance

“GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.”

### Accounting principles and policies applied in the financial statements

- **Basis of preparation**

The approach by the district municipality is not to wait till the last moment to adopt and implement new GRAP interpretations / directives issued by the Accounting Standards Board (ASB) but rather to start early by implementing any new developments and amendments issued during the financial year. The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

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

The municipality has complied with the all the applicable and effective GRAP standards, as the Auditor General was required in terms of the PAA and general notices issued in terms thereof, to general performed procedures to identify any findings in terms of compliance with legislation (include GRAP). No significant findings were reported on non-compliance by the municipality, which is a confirmation that the municipality is compliant with all the applicable and effective GRAP standards.

The standards are summarised as follows:

GRAP 31	Intangible assets
---------	-------------------

The municipality resolved to early adopt the following GRAP standards which have been issued and are effective.

Standard	Description	Effective Date
GRAP 1 (Revised)	Presentation of Financial Statements	1 April 2024
GRAP 2 (Revised)	Cash Flow Statements	1 April 2024
GRAP 3 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2024
GRAP 9 (Revised)	Revenue from Exchange Transactions	1 April 2024
GRAP 12 (Revised)	Inventories	1 April 2024
GRAP 13 (Revised)	Leases	1 April 2024
GRAP 14 (Revised)	Events after the reporting date	1 April 2024
GRAP 16 (Revised)	Investment Property	1 April 2024
GRAP 17 (Revised)	Property, Plant and Equipment	1 April 2024
GRAP 18 (Revised)	Segment Reporting	1 April 2024

Standard	Description	Effective Date
GRAP 19 (Revised)	Provisions, Contingent Liabilities and Contingent Assets	1 April 2024
GRAP 20 (Revised)	Related Parties	1 April 2024
GRAP 23 (Revised)	Revenue from Non-Exchange Transactions	1 April 2024
GRAP 24 (Revised)	Presentation of Budget Information in Financial Statements	1 April 2024
GRAP 25 (Revised)	Employee Benefits	1 April 2024
GRAP 31 (Revised)	Intangible Assets	1 April 2024
GRAP 104 (Revised)	Financial Instruments	1 April 2024

<b>Standard</b>	<b>Description</b>	<b>Effective Date</b>
GRAP 108 (Revised)	Statutory receivables	1 April 2024

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP. The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the financial statements.

# Chapter 6 - Auditor-General Report

## INTRODUCTION

The district municipality remains committed to a clean administration and as a result the municipality received an unqualified audit opinion with no matters of emphasis. The municipality is committed to aligning itself with the National Government's strategic objectives.

Key controls have been improved to address the weaknesses raised by the Auditor-General in the management report in order to maintain the status quo.

### Auditor-General opinion of financial statements 2023/24

The district municipality achieved an unqualified audit opinion with no matters of emphasis.

<b>Auditor-General Report on Financial Performance 2023/24</b>	
<b>Audit Report Status*:</b>	Unqualified audit opinion with no matters
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
None	None
Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	

### Auditor-General opinion of financial statements 2024/25

The district municipality achieved an unqualified audit opinion with no matters of emphasis.

<b>Auditor-General Report on Financial Performance 2024/25</b>	
<b>Audit Report Status*:</b>	Unqualified audit opinion with no matters
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
None	None
Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	

Comments on MFMA section 71 responsibilities:

Section 71 of the MFMA requires municipalities to submit financial performance reports monthly to the National Treasury at specified intervals throughout the year. The reports were sent to National Treasury as per the reporting requirements.

**Signed (Acting Chief Financial Officer)**  .....

Date: 30 November 2025

## Glossary

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
Level 3 accreditation	The accreditation of a municipality involves the delegation and assignment of certain clearly defined functions in respect of the administration of National Housing Programmes, leading to eventual assignment of all the functions by formal proclamation of assignment by the Premier in the Government Gazette.
National key performance areas	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

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

# **APPENDICES**

**Appendix A -  
Councillors; Committee Allocation & Council Attendance**

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr U Buda	FT	Executive Mayor	ANC	93	7
Cllr KC Mothibi	FT	Speaker	ANC	100	0
Cllr M Aaron	PT	Planning & Development	ANC	79	7
Cllr EK Adams	PT	Planning & Development	PA	50	7
Cllr LO Amose	PT	Social Development	ANC	57	14
Cllr EL Badenhorst	PT	Policy & Institutional Development	DA	86	0
Cllr T Bopape	PT	Planning & Development	ANC	93	0
Cllr K Botman	PT	Infrastructure Development	EFF	7	0
Cllr E Davies	PT	Social Development	FF+	100	0
Cllr T Diloke	PT	Infrastructure Development, MPAC	ANC	71	0
Cllr GT Diphahle	PT	Policy & Institutional Development, MPAC	ANC	100	0
Cllr OM Ditakgwe	FT	Social Development (Chairperson), Mayoral	ANC	100	0
Cllr GV Fish	PT	Finance	PA	64	29
Cllr WAS Hendricks	PT	Finance, Infrastructure	ANC	79	0
Cllr D Harmse	PT	Social Development	DA	93	7
Cllr KC Kock	PT	Finance	EFF	100	0
Cllr LDK Leeuw	PT	Planning & Development	EFF	14	0
Cllr CC Lewis	PT	Finance	DA	50	21
Cllr EM Mokgathanyane	FT	Infrastructure Development (Chairperson), Mayoral	ANC	93	0
Cllr KC Molatudi	PT	Finance	ANC	93	0
Cllr K Molale	FT	MPAC (Chairperson)	ANC	86	14
Cllr RV Raphoto	PT	Policy & Institutional Development	EFF	79	0
Cllr I Ruiter *	FT	Finance (Chairperson), Mayoral	ANC	50	0
Cllr LN Shushu	FT	Policy & Institutional Development (Chairperson), Mayoral	ANC	93	0
Cllr C Whittaker	PT	Infrastructure Development	DA	100	0
Cllr TM van Wyk	PT	Social Development	EFF	57	0
Cllr J Tshekedi	FT	Planning & Development (Chairperson), Mayoral	ANC	100	0
Cllr J Smit	PT	Infrastructure	FF+	86	7
Cllr MM Setlhogomi **	PT	Policy	PSDF	64	7
Cllr KJB Sonyoni **	FT	Mayoral, Finance (Chairperson)	ANC	50	0

\* Resigned during the financial year

\*\* Assumed office during the financial year

## Appendix B - Committees & Committee Purposes

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Finance Committee	To deal with all financial matters
Planning and Development Committee	To deal with planning and development matters such as Spatial Planning, IDP, GIS, LED
Infrastructure Development Committee	To deal with infrastructure matters, both new and maintenance of existing infrastructure
Policy and Institutional Development Committee	To deal with all council policies and consider reports on matters such as HR and ICT
Social Development Committee	To deal with social matters and consider reports on environmental health and housing
Municipal Public Accounts Committee (MPAC)	To exercise oversight over the executive functionaries of council and to ensure good governance in the municipality

## Appendix C - Functions of Municipality

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

## Appendix D - Recommendations of the Municipal Audit Committee 2024/25

Municipal Audit Committee Recommendations			
Date of Committee	Matter	Committee recommendations during 2024/25	Recommendations adopted (enter Yes) If not adopted (provide explanation)
17/06/2025	Section 71 Report – Review of Monthly Budget Performance Reports	The Committee recommended that the executive summary be enhanced to provide clearer explanations for material variances. Revenue recognition should align with actual receipt timelines rather than being annualised. The Chief Financial Officer should further review the Microsoft subscription contract to determine whether it meets the definition of an intangible asset.	Yes
17/06/2025	Performance Report – Review of Indicators Measuring Spending vs. Performance	The Committee advised management to review the current spending-based performance indicators to ensure that they are based on appropriate benchmarks. This will help prevent perceived underachievement in cases of cost savings and overachievement where overspending occurs.	The performance obligation lies with the local municipalities, and the district can only measure according to the allocation.
17/06/2025	Internal Audit Reports – Review of Audit Planning and Oversight of Local Municipalities	The Committee recommended that the 2025/26 Internal Audit Plan be finalised within the first quarter of the financial year. Furthermore, the 2026/27 Audit Plan should be submitted before the start of that year. Internal Audit should also initiate an awareness drive to enhance appreciation of the roles and value of internal audit and the Audit Committee among local municipalities.	Yes
15/08/2025	Annual Financial Statements (AFS) – Review of 2024/25 Draft Financial statements	The Committee directed management to address all issues identified by Internal Audit and the APRC during the review of the 2024/25 draft AFS. The adjusted AFS must be resubmitted to the APRC by 22 August 2025 for further consideration.	Yes

## Appendix E - Disclosures of Financial Interests

Disclosures of Financial Interests		
Period 1 July 2024 to 30 June 2025 of 2024/25		
Position	Name	Description of Financial interests* (Nil / Or details)"
<b>Executive Mayor</b>	Ms U Buda	Nil / None
<b>Speaker</b>	Ms KC Mothibi	Nil / None
<b>Member of MayCo / Exco</b>	Ms LN Shushu	Nil / None
	Mr M Mokgathanyane	Nil / None
	Ms OM Ditakgwe	Nil / None
	Ms J Tshekedi	Nil / None
	Mr KJB Sonyoni	Nil / None
	Ms K Molale	Nil / None
	Mr I Ruiter	Nil / None
<b>Councillor</b>	Ms D Harmse	Nil / None
	Ms M Aaron	Nil / None
	Ms M Molatudi	Nil / None
	Ms LO Amose	Nil / None
	Mr KC Kock	Nil / None
	Mr TH Bopape	Nil / None
	Ms TG Diloke	Nil / None
	Mr J Smit	Nil / None
	Mr LDK Leeuw	Nil / None
	Ms KJ Botman	Nil / None
	Mr WAS Hendricks	Nil / None
	Ms E Davies	Nil / None
	Mr EK Adams	Nil / None
	Ms GV Fish	Nil / None
	Ms CC Lewis	Nil / None
	Mr RV Raphoto	Nil / None
	Mr MM Setlhogomi	Nil / None
	Mr C Whittaker	Nil / None
	Mr TM van Wyk	Nil / None
	Mr JG Diphahle	Nil / None
Ms EL Badenhorst	Nil / None	

## Appendix E - Disclosures of Financial Interests

Disclosures of Financial Interests		
Period 1 July 2024 to 30 June 2025 of 2024/25		
Position	Name	Description of Financial interests* (Nil / Or details)''
Municipal Manager	Z.M. Bogatsu	Nil / None
Chief Financial Officer	O Moseki (Acting)	Nil / None
Other S57 Officials	Vacant	

## Appendix F (i) - Revenue collection performance by vote and by source

Revenue Collection Performance by Vote							R' 000
Vote Description	2023/24	Current Year: 2024/25			2024/25 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget	
Vote 1 - Executive and Council	280	-	101	-	0	-1	
Vote 2 - Municipal Manager	-	-	-	-	0	0	
Vote 3 - Budget And Treasury	150 934	150 084	150 084	155 093	3.34%	3.34%	
Vote 4 - Corporate Services	-	-	-	-	0	0	
Vote 5 - Planning and Development	4 114	10 506	10 506	7 792	-25.83%	-25.83%	
Vote 6 - Project Man and Advisory Services	-	-	-	-			
<b>Total Revenue by Vote</b>	<b>155 328</b>	<b>160 590</b>	<b>160 691</b>	<b>162 885</b>	<b>1.43%</b>	<b>1.37%</b>	

## Appendix F (ii) - Revenue collection performance by vote and by source

Revenue Collection Performance by Source						
						R '000
Description	2023/24	2024/25			2024/25 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Exchange Revenue</b>						
Service charges - Electricity	–	–	–	–		
Service charges - Water	–	–	–	–		
Service charges - Waste Water Management	–	–	–	–		
Service charges - Waste Management	–	–	–	–		
Sale of Goods and Rendering of Services	68	80	80	1 126	92.89%	92.89%
Agency services	–	–	–	–		
Interest	–	–	–	–		
Interest earned from Receivables	–	–	–	–		
Interest earned from Current and Non Current Assets	13 344	9 600	9 600	13 827	30.57%	30.57%
Dividends	–	–	–	–		
Rent on Land	–	–	–	–		
Rental from Fixed Assets	195	91	91	314	70.96%	70.96%
Licence and permits	–	–	–	–		
Operational Revenue	–	–	–	–		
<b>Non-Exchange Revenue</b>						
Property rates	–	–	–	–		
Surcharges and Taxes	–	–	–	–		
Fines, penalties and forfeits	–	–	–	–		
Licences or permits	–	–	–	–		
Transfer and subsidies - Operational	141 488	150 819	150 920	147 618	-2.17%	-2.24%
Interest	–	–	–	–		
Fuel Levy	–	–	–	–		
Operational Revenue	–	–	–	–		
Gains on disposal of Assets	–	–	–	–		
Other Gains	–	–	–	–		
Discontinued Operations	232	–	–	–		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>155 328</b>	<b>160 590</b>	<b>160 691</b>	<b>162 885</b>	<b>1.41%</b>	<b>1.35%</b>

## Appendix G - Conditional Grants received: excluding MIG

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	
Public Transport Infrastructure and Systems Grant	-	-	-	-	-	-	
<b>Other Specify:</b>							
Local Government Equitable Share	139	139	139	0.00%	0.00%	-	
Finance Management	1 000	1 000	554 004	-80.50%	-80.50%	-	
Municipal Disaster Recovery Grant	-	-	-	-	-	-	
Municipal Systems Improvement	-	-	-	-	-	-	
Roads asset management	2 829	2 829	2 798	-1.11%	-1.11%	-	
Kgotso Pula Nala	-	-	-	-	-	-	
NEAR Control Centre	-	-	-	-	-	-	
SETA - Skills Grant	180	180	139	-29.21%	-29.21%	-	
NCPA - EPWP	1 274	1 274	1 274	-	-	-	
Tourism Grant	-	-	-	-	-	-	
NCPA- District Aids Council	1 274	1 274	1 274	-	-	-	
Public Contributions	-	-	-	-	-	-	
NCPA- Housing Grants	-	-	-	-	-	-	
NCPA - Firefighting Equipment	-	-	-	-	-	-	
Covid-19 Grant	-	-	-	-	-	-	
<b>Total</b>	<b>144</b>	<b>145</b>	<b>144</b>	<b>-0.36%</b>	<b>-0.43%</b>	<b>-</b>	

## Appendix H (i) - Capital expenditure - New Assets Programmes

Capital Expenditure - New Assets Programme*							
Description	2023/24	2024/25		Actual Expenditure	Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget		FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class	–	–	–	–	–	–	–
Heritage assets - Total	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Investment properties - Total	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Other assets	1 493	1 455	1 480	450	1 388	40	–
General vehicles	–	–	–	–	750	–	–
Specialised vehicles	–	–	–	–	–	–	–
Plant & equipment	–	203	228	–	66	–	–
Computers - hardware/ equipment	497	830	810	186	90	40	–
Furniture and other office equipment	–	107	107	117	482	–	–
Abattoirs	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–
Other Buildings	997	315	335	147	–	–	–
Other Land	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Intangibles	–	250	250	222	–	–	–
Computers - software & programming	9	250	250	222	–	–	1 100
Total Capital Expenditure on new assets	1 493	1 705	1 730	671	1 388	40	–
Specialised vehicles	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–
Fire	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–

Capital Expenditure - New Assets Programme*							
							R '000
Description	2023/24	2024/25			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>	–	–	–	–	–	–	–
<b>Infrastructure - Total</b>	–	–	–	–	–	–	–
Infrastructure: Road transport -Total	–	–	–	–	–	–	–
Roads, Pavements & Bridges	–	–	–	–	–	–	–
Storm water							
<b>Infrastructure: Electricity - Total</b>	–	–	–	–	–	–	–
Generation	–	–	–	–	–	–	–
Transmission & Reticulation	–	–	–	–	–	–	–
Street Lighting							
<b>Infrastructure: Water - Total</b>	–	–	–	–	–	–	–
Dams & Reservoirs	–	–	–	–	–	–	–
Water purification	–	–	–	–	–	–	–
Reticulation	–	–	–	–	–	–	–
<b>Infrastructure: Sanitation - Total</b>	–	–	–	–	–	–	–
Reticulation	–	–	–	–	–	–	–
Sewerage purification	–	–	–	–	–	–	–
<b>Infrastructure: Other - Total</b>	–	–	–	–	–	–	–
Waste Management	–	–	–	–	–	–	–
Transportation	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
<b>Community</b>	–	–	–	–	–	–	–
Parks & gardens	–	–	–	–	–	–	–
Sportsfields & stadia	–	–	–	–	–	–	–
Swimming pools	–	–	–	–	–	–	–
Community halls							
Libraries	–	–	–	–	–	–	–
Recreational facilities	–	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–

## Appendix H (ii) - Capital expenditure - Upgrade / Renewal Programmes

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	2023/24	2024/25			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Investment properties</b>	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
<b>Other assets</b>	<b>2 592</b>	<b>2 366</b>	<b>2 366</b>	<b>2 603</b>	<b>2 299</b>	<b>2 550</b>	<b>2 250</b>
General vehicles	1 961	1 500	1 500	1 511	2 000	2 550	2 250
Specialised vehicles				–			
Plant & equipment	489	850	850	1 092	250	–	–
Computers - hardware/ equipment	–	–	–	–	5	–	–
Furniture and other office equipment	143	16	16	–	44	–	–
Abattoirs	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–
Other Buildings	–	–	–	–	–	–	–
Other Land	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
<b>Intangibles</b>	–	<b>6 000</b>	–	–	–	–	–
Computers - software & programming	–	<b>6 000</b>	–	–	–	–	–
Other (list sub-class)	–	–	–	–	–	–	–
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>2 592</b>	<b>8 366</b>	<b>2 366</b>	<b>2 603</b>	<b>2 299</b>	<b>2 550</b>	<b>2 250</b>
<b>Specialised vehicles</b>	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–
Fire	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

## Appendix I - Declaration of loans and grants made by the municipality

Declaration of Loans and Grants made by the municipality: 2024/25				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2024/25	Total amount per grant per local municipality
Dikgatlong Municipality	Operation and maintenance of streets and stormwater drainage	None	R 308,096	R 3,500,000
Dikgatlong Municipality	Operation and maintenance of water infrastructure	None	R 3,191,904	
Magareng Municipality	Operation and maintenance of streets and stormwater drainage	None	R 152,094	R 2,500,000
Magareng Municipality	Operation and maintenance of water infrastructure	None	R 2,347,906	
Phokwane Municipality	Operation and maintenance of streets and stormwater drainage	None	R 2,345	R 2,500,000
Phokwane Municipality	Operation and maintenance of wastewater infrastructure	None	R970,278	
Phokwane Municipality	Operation and maintenance of water infrastructure	None	R 1,527,377	
Sol Plaatje Municipality	Operation and maintenance of streets and stormwater drainage	None	R 4,357,860	R 1,800,000
Sol Plaatje Municipality	Operation and maintenance of wastewater infrastructure	None	R 410,337	
Frances Baard District	Supply and delivery of a brickmaking equipment for Magareng Municipality	None	R 225,000	R 225,000
Dikgatlong Municipality	Refurbishment of Barkly West wastewater plant	None	R 1,388,510	R 2,000,000
Dikgatlong Municipality	Procurement of bakkies	None	R 611,490	
Magareng Municipality	Repairs to Warrenton wastewater treatment works	None	R 2,000,000	R 2,000,000

**PART II**  
**ANNUAL FINANCIAL**  
**STATEMENTS**



Frances Baard District Municipality  
Annual Financial Statements  
for the period ended 30 June 2025

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## General Information

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<b>Country of origin and legal form</b>	South African Category C Municipality as defined by the Municipal Structures Act. (Act no 117 of 1998)
<b>Jurisdiction</b>	The Frances Baard District Municipality includes the following local municipalities: Sol Plaatje; Phokwane; Dikgatlong; and Magareng.
<b>Nature of business and principal activities</b>	Frances Baard Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 108 of 1996)
<b>Capacity of district authority</b>	Medium capacity DC9
<b>Management structure</b>	The municipality executive management structure consists of the Municipal Manager and heads of the four main departments. The Office of the Municipal Manager includes management functions pertaining to municipal systems improvement and intergrated development planning functions.
<b>Municipal Manager</b>	Ms ZM Bogatsu
<b>Acting Chief Finance Officer</b>	Ms O Moseki
<b>Registered office</b>	51 Drakensberg Avenue Carters Glen Kimberley 8301
<b>Legal representative</b>	Mr K Matlakala
<b>External auditors</b>	Auditor-General of South Africa
<b>Internal Auditors</b>	The Internal Audit unit was fully staffed and operational during the financial year. The use of external service providers is limited to cases where internal capacity is insufficient to conduct specialised investigations.
<b>Members of the audit committee</b>	Mr G Botha - Chairperson Mr T Mudamburi - Member Mr S Masikela - Member
<b>Principal banker</b>	First National Bank (FNB)
<b>Executive Mayor</b>	Ms U Buda - Executive Mayor
<b>Mayoral Committee</b>	Ms KC Mothibi - Speaker Mr M Mokgatlhanyane - Proportional Ms LM Shushu - Proportional Ms O M Ditakgwe - Proportional Mr K Sonyoni - Sol Plaatje Local Municipality Ms D Tshakedi - Proportion
<b>Municipal Public Accounts Committee Chairperson</b>	Ms K Molale
<b>Part-time Councillors</b>	Ms CC Lewis - Proportion Ms KJ Botman - Proportional

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## General Information

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Ms GV Fish	- Proportional
Mr RV Raphoto	- Proportional
Ms E Davies	- Proportional
Ms MK Molatudi	- Sol Plaatje Local Municipality
Mr JG Diphahle	- Sol Plaatje Local Municipality
Mr TH Bopape	- Sol Plaatje Local Municipality
Mr CP Whittaker	- Sol Plaatje Local Municipality
Mr J Smit	- Sol Plaatje Local Municipality
Ms E Badenhorst	- Sol Plaatje Local Municipality
Mr E Adams	- Sol Plaatje Local Municipality
Ms TG Diloke	- Phokwane Local Municipality
Mr MC Setlhogomi	- Phokwane Local Municipality
Mr TM van Wyk	- Phokwane Local Municipality
Mr LDK Leeuw	- Dikgatlong Local Municipality
Mr WAS Hendricks	- Dikgatlong Local Municipality
Ms LO Amose	- Magareng Local Municipality
Ms M Aaron	- Sol Plaatje Local Municipality
Ms D Harmse	- Proportional

### Other directors of departments

Mr F Netshivhodza - Acting Director: Planning & Development  
Mr R Setshogoe - Acting Director: Infrastructure Services

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Index

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The reports and statements set out below comprise the annual financial statements presented to the Auditor-General of South Africa:

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### Abbreviations used:

DORA	Division of Revenue Act
ITA	The Income Tax Amendment Act
GRAP	Generally Recognised Accounting Practice
VAT	Value Added Tax
MSA	Municipal Structures Act
MSA	Municipal Systems Act
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
HA	Housing Act
SDLAA	Skills Development Levies Amendment Act
EEA	Employment Equity Act
UIF	Unemployment Insurance Act

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Officer's Responsibilities and Approval

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As the accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and be responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is my responsibility 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 will be given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The annual financial statements are based on the appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

As the accounting officer, I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, there are standards set 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 access to adequate resources to continue its operational existence for the foreseeable future.

The external auditors are responsible for the independent review and reporting on the municipality's annual financial statements.

The annual financial statements are set out in page 5, and have been prepared on the going concern basis.



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**Ms ZM Bogatsu**  
**Municipal Manager**



The accounting officer  
Frances Baard District Municipality  
51 Drakensburg Avenue  
Kimberley  
8301

Date: 29 November 2025

Reference: 21364REG24-25AS

Dear Madam

**Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Frances Baard District Municipality for the year ended 30 June 2025**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 126(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the auditor's report in the municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the auditor's report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the auditor's report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

5. Please notify the undersigned Business Unit Leader / Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the PAA and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), members of the staff of the Auditor General (AG), or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party without the permission of the AG or his/her delegate, unless this is to a legislature or internal committee of a legislature or a court in a criminal matter.
7. Until the steps described in paragraphs 2 and 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



Senior Manager: Moji Makamole

Enquiries: Naledi Seale  
Telephone: (073) 669 9777  
Email: [naledis@agsa.co.za](mailto:naledis@agsa.co.za)

# Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Frances Baard District Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of Frances Baard District Municipality set out on pages 137 to 247, which comprise the appropriation statement, statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, cash flow statement, and the statement of comparison of budget information with actual information 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 Frances Baard District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

### Basis for opinion

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

### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget by R36 187 278.

## Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.
9. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## Responsibilities of the accounting officer for the financial statements

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

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

12. 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.
13. 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 149 forms part of my auditor's report.

## Report on the annual performance report

14. 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.
15. I selected the following material performance indicators related to KPA 1: Sustainable municipal infrastructure development and basic service delivery presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure

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

- KPI 1.1: Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district
- KPI 1.2: Amount spent on support for operations and maintenance of infrastructure in the LMs (O&M)
- KPI 1.3: Number of monitoring reports developed to support with infrastructure operations and maintenance in the LMs
- KPI 2.1: Number of Full-Time Equivalents (FTEs) created as per DORA
- KPI 3.1: Percentage progress on the implementation of the RRAMS project to support improved infrastructure planning in the LMs as per the annual business plan
- KPI 4.1: Amount spent on support for capital infrastructure projects in the LMs
- KPI 4.2: Number of monitoring reports developed to support with capital infrastructure projects in the LMs
- KPI 5.1: Percentage implementation of the EEDSM project as per the annual business plan

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

17. I performed procedures to test whether:

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

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

19. I did not identify any material findings on the reported performance information for the selected indicators.

### **Other matter**

20. I draw attention to the matter below.

### **Achievement of planned targets**

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

### **Report on compliance with legislation**

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

23. 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.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

25. I did not identify any material non-compliance with the selected legislative requirements.

### **Other information in the annual report**

26. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those

selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

27. 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.
28. 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 programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

30. 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.
31. I did not identify any significant deficiencies in internal control.

*Auditor General*

Kimberley

29 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 KPA 1: Sustainable Municipal Infrastructure Development and Basic Service delivery and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

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

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

## Communication with those charged with governance

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v), 165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)

Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a), 32(7), 33(1)(c)(ii), 53(1)(c)(ii), 53(1)(c)(iii)(bb), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 165(1), 165(2)(a), 165(2)(b)(ii), 165(2)(b)(iv), 165(2)(b)(v),

Legislation	Sections or regulations
	165(2)(b)(vii), 166(2)(b), 166(2)(a)(iv), 166(5), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(i), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 45(a), 54A(1)(a), 56(1)(a), 57(2)(a), 57(4B), 57(6)(a), 57A, 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 14(1)(b)(iii), 14(1)(c)(ii), 14(4)(a)(i), 14(4)(a)(iii), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3), 26(5), 27(4)(a)(i)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1), 19, 31, 35(1)
MSA: Municipal Systems Regulations, 2001	Regulation: 43
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)

Legislation	Sections or regulations
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	2	330 350	335 206
Receivables from exchange transactions	3	7 502 446	8 922 272
Investments	5	9 800 000	10 400 000
VAT receivable	6	1 261 963	1 640 078
Current Portion Long-term Receivables	8	671 000	611 000
Operating lease receivable	12	-	8 804
Cash and cash equivalents	7	139 575 944	113 099 485
		<b>159 141 703</b>	<b>135 016 845</b>
<b>Non-Current Assets</b>			
Statutory Receivables	4	389 000	389 000
Long-term Receivables	8	6 306 000	5 728 000
Property, plant and equipment	9	68 328 110	70 374 673
Intangible assets	10	711 501	739 249
Heritage assets	11	631 417	631 417
Operating lease receivable	12	46 328	-
		<b>76 412 356</b>	<b>77 862 339</b>
<b>Total Assets</b>		<b>235 554 059</b>	<b>212 879 184</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	14	10 128 203	5 530 225
Consumer deposits	16	7 270	4 370
Employee benefit obligation	13	13 480 974	13 396 888
Unspent conditional grants and receipts	15	1 988 197	1 571 136
		<b>25 604 644</b>	<b>20 502 619</b>
<b>Non-Current Liabilities</b>			
Employee benefit obligation	13	32 749 010	29 853 233
<b>Total Liabilities</b>		<b>58 353 654</b>	<b>50 355 852</b>
<b>Net Assets</b>		<b>177 200 405</b>	<b>162 523 332</b>
<b>Reserves</b>			
Revaluation reserve	17	41 524 944	42 572 802
Accumulated surplus	18	135 675 461	119 950 530
<b>Total Net Assets</b>		<b>177 200 405</b>	<b>162 523 332</b>

\* See Note 55

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rental of facilities and equipment	20	314 094	195 237
Other income	21	1 125 903	68 151
Actuarial Gains	32	-	232 309
Interest revenue	22	13 826 928	13 344 406
<b>Total revenue from exchange transactions</b>		<b>15 266 925</b>	<b>13 840 103</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	23	147 618 245	141 487 870
<b>Total revenue</b>	19	<b>162 885 170</b>	<b>155 327 973</b>
<b>Expenditure</b>			
Employee related costs	24	(74 044 805)	(72 929 723)
Remuneration of councillors	25	(8 544 135)	(7 734 830)
Depreciation and amortisation	26	(4 669 139)	(4 985 766)
Debt Impairment	27	(3 934 679)	(314 343)
Inventory consumed	29	(1 139 859)	(1 144 766)
Transfers and Subsidies	30	(25 000 115)	(42 999 465)
Loss on Disposal of Property, Plant and Equipment	31	(665 697)	(9 702)
Actuarial losses	32	(901 335)	-
General Expenses	33	(29 400 958)	(22 696 759)
<b>Total expenditure</b>		<b>(148 300 722)</b>	<b>(152 815 354)</b>
<b>Surplus for the year</b>		<b>14 584 448</b>	<b>2 512 619</b>

\* See Note 55

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	43 620 661	116 407 940	160 028 601
<b>Balance at June 30, 2023</b>	<b>43 620 661</b>	<b>116 407 940</b>	<b>160 028 601</b>
Changes in net assets			
Surplus for the year as previously reported	-	2 586 263	2 586 263
Depreciation Offset	(1 047 859)	1 047 859	-
Total changes	(1 047 859)	3 634 122	2 586 263
Opening balance as previously reported	42 572 802	120 042 062	162 614 864
Prior year adjustments 55	-	(91 532)	(91 532)
<b>Balance at June 30, 2024</b>	<b>42 572 802</b>	<b>119 950 530</b>	<b>162 523 332</b>
Changes in net assets			
Depreciation Offset	(1 047 859)	1 047 859	-
Movements recognised in net assets	-	92 623	92 623
Net income (losses) recognised directly in net assets	(1 047 859)	1 140 482	92 623
Surplus for the year	-	14 584 448	14 584 448
Total recognised income and expenses for the year	(1 047 859)	15 724 930	14 677 071
Total changes	(1 047 859)	15 724 930	14 677 071
<b>Balance at 30 June 2025</b>	<b>41 524 943</b>	<b>135 675 460</b>	<b>177 200 403</b>
Note(s)	17		

\* Details on the movement of the Funds and Reserves are set out in Note 17 and Note 18.

\* See Note 55

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers and subsidies		148 035 306	141 806 313
External Interest and Dividends Received		13 826 928	13 418 050
Other receipts		407 994	1 831 029
		<u>162 270 228</u>	<u>157 055 392</u>
<b>Payments</b>			
Employee related costs		(70 944 309)	(70 632 646)
Remuneration of councillors		(8 544 135)	(7 734 830)
Suppliers paid		(27 712 968)	(33 098 184)
Other payments		(25 340 115)	(43 069 329)
		<u>(132 541 527)</u>	<u>(154 534 989)</u>
<b>Net cash flows from operating activities</b>	34	<b><u>29 728 701</u></b>	<b><u>2 520 403</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(3 052 623)	(4 085 029)
Purchase of other intangible assets	10	(221 619)	(9 349)
Decrease / (Increase) in Current Investments		600 000	600 000
Decrease / (Increase) in Long-term Receivables		(578 000)	660 000
		<u>(3 252 242)</u>	<u>(2 834 378)</u>
<b>Net cash flows from investing activities</b>		<b><u>(3 252 242)</u></b>	<b><u>(2 834 378)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>26 476 459</b>	<b>(313 975)</b>
Cash and cash equivalents at the beginning of the year		113 099 485	113 413 460
<b>Cash and cash equivalents at the end of the year</b>	7	<b><u>139 575 944</u></b>	<b><u>113 099 485</u></b>

The accounting policies on pages 18 to 37 and the notes on pages 38 to 96 form an integral part of the annual financial statements.

\* See Note 55

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rental of facilities and equipment	91 000	-	91 000	314 094	223 094	
Other income	80 000	-	80 000	1 125 903	1 045 903	
Interest received - investment	9 600 000	-	9 600 000	13 826 928	4 226 928	
<b>Total revenue from exchange transactions</b>	<b>9 771 000</b>	<b>-</b>	<b>9 771 000</b>	<b>15 266 925</b>	<b>5 495 925</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	150 819 000	101 000	150 920 000	147 618 245	(3 301 755)	
<b>Total revenue</b>	<b>160 590 000</b>	<b>101 000</b>	<b>160 691 000</b>	<b>162 885 170</b>	<b>2 194 170</b>	
<b>Expenditure</b>						
Employee Related Cost	(98 526 000)	8 722 000	(89 804 000)	(74 044 805)	15 759 195	
Remuneration of councillors	(8 252 000)	(472 000)	(8 724 000)	(8 544 135)	179 865	
Depreciation and amortisation	(6 363 000)	-	(6 363 000)	(4 669 139)	1 693 861	
Debt Impairment	(20 000)	-	(20 000)	(3 934 679)	(3 914 679)	
Inventory consumed	(2 340 000)	(20 000)	(2 360 000)	(1 139 859)	1 220 141	
Transfers and Subsidies	(16 167 000)	(11 696 000)	(27 863 000)	(25 000 115)	2 862 885	
Loss on disposal of assets	(54 000)	-	(54 000)	(665 697)	(611 697)	
General Expenses	(44 773 000)	(2 227 000)	(47 000 000)	(29 400 958)	17 599 042	
Actuarial Gains and Losses	(2 300 000)	-	(2 300 000)	(901 335)	1 398 665	
<b>Total expenditure</b>	<b>(178 795 000)</b>	<b>(5 693 000)</b>	<b>(184 488 000)</b>	<b>(148 300 722)</b>	<b>36 187 278</b>	
<b>Surplus before taxation</b>	<b>(18 205 000)</b>	<b>(5 592 000)</b>	<b>(23 797 000)</b>	<b>14 584 448</b>	<b>38 381 448</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(18 205 000)</b>	<b>(5 592 000)</b>	<b>(23 797 000)</b>	<b>14 584 448</b>	<b>38 381 448</b>	

### Financial Performance: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% between the approved budget and the actual amount on the various items disclosed in the Statement of Financial Performance are explained below:

#### *Other revenue*

Other revenue variance is a result of the refunds claimed from a service provider and a local municipality, we had anticipated to receive refunds from these parties.

#### *Rental from Fixed Assets:*

The variance on rental of facilities and equipment is due to the municipality entering a new contract with MTN that has favourable rates.

#### *Interest, Dividends and Rent on Land Earned:*

The income from external investments increased due to interest rates were higher during the current financial year as compared to the budget projections.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### *Employee Related Costs*

Variance on the employee related costs is due to various vacant positions on director level and lower which have not been filled for the financial year including Directors - Finance, Administration, Infrastructure Services and Planning & Development.

### *Depreciation and Amortisation:*

The depreciation & amortisation variance is due to the review of the assets remaining useful lives.

### *Impairment Losses:*

The variance is due to a higher default rate from the debtors than budget projections.

### *Contracted Services:*

Contracted Services and Repairs and Maintenance actual expenditures are reflected under general expenses.

### *Inventory Consumed:*

Savings realised on the consumption of inventory due to the implementation of cost containment measures.

### *General Expenses:*

Operational costs and Contracted Services expenditures are combined and the variance is due to the implementation of cost containment measures, and underspending on projects that will be rolled over to the new financial year.

### *Loss on Disposal of Property, Plant and Equipment:*

Loss on Disposal of Property, Plant and Equipment expenditure is for assets which were disposed off and donated to NGOs and schools, assets which were anticipated to be disposed in the prior financial year were disposed in the current financial year.

### *Reason for adjustment to original budget*

Please refer to the adjustment budget for reasons on variances from the original budget.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Statement of Financial Position

#### Assets

##### Current Assets

Inventories	239 000	96 000	<b>335 000</b>	330 350	<b>(4 650)</b>	
Investments	-	-	-	9 800 000	<b>9 800 000</b>	
Receivables from exchange transactions	9 416 000	(710 000)	<b>8 706 000</b>	7 502 446	<b>(1 203 554)</b>	
Receivables from non-exchange transactions	389 000	-	<b>389 000</b>	-	<b>(389 000)</b>	
VAT Receivable	11 016 000	7 168 000	<b>18 184 000</b>	1 261 963	<b>(16 922 037)</b>	
Current Portion Long-term Receivables	736 000	(125 000)	<b>611 000</b>	671 000	<b>60 000</b>	
Other current assets	449 000	(525 000)	<b>(76 000)</b>	-	<b>76 000</b>	
Cash and cash equivalents	110 601 000	11 362 000	<b>121 963 000</b>	139 575 944	<b>17 612 944</b>	
	<b>132 846 000</b>	<b>17 266 000</b>	<b>150 112 000</b>	<b>159 141 703</b>	<b>9 029 703</b>	

##### Non-Current Assets

Property, plant and equipment	66 359 000	3 187 000	<b>69 546 000</b>	68 328 046	<b>(1 217 954)</b>	
Intangible assets	6 844 000	(6 138 000)	<b>706 000</b>	711 501	<b>5 501</b>	
Heritage assets	631 000	-	<b>631 000</b>	631 417	<b>417</b>	
Operating lease asset	-	-	-	46 328	<b>46 328</b>	
Long-term Receivables	6 388 000	(660 000)	<b>5 728 000</b>	6 306 000	<b>578 000</b>	
Statutory receivables	9 000	-	<b>9 000</b>	389 000	<b>380 000</b>	
	<b>80 231 000</b>	<b>(3 611 000)</b>	<b>76 620 000</b>	<b>76 412 292</b>	<b>(207 708)</b>	

#### Total Assets

	<b>213 077 000</b>	<b>13 655 000</b>	<b>226 732 000</b>	<b>235 553 995</b>	<b>8 821 995</b>	
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#### Liabilities

##### Current Liabilities

Payables from exchange transactions	25 671 000	2 018 000	<b>27 689 000</b>	10 128 203	<b>(17 560 797)</b>	
VAT payable	257 000	8 757 000	<b>9 014 000</b>	-	<b>(9 014 000)</b>	
Consumer deposits	5 000	(1 000)	<b>4 000</b>	7 270	<b>3 270</b>	
Employee benefit obligation	15 941 000	1 556 000	<b>17 497 000</b>	13 480 974	<b>(4 016 026)</b>	
Unspent conditional grants and receipts	320 000	1 251 000	<b>1 571 000</b>	1 988 197	<b>417 197</b>	
	<b>42 194 000</b>	<b>13 581 000</b>	<b>55 775 000</b>	<b>25 604 644</b>	<b>(30 170 356)</b>	

##### Non-Current Liabilities

Employee benefit obligation	31 499 000	355 000	<b>31 854 000</b>	32 749 010	<b>895 010</b>	
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#### Total Liabilities

	<b>73 693 000</b>	<b>13 936 000</b>	<b>87 629 000</b>	<b>58 353 654</b>	<b>(29 275 346)</b>	
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#### Net Assets

	<b>139 384 000</b>	<b>(281 000)</b>	<b>139 103 000</b>	<b>177 200 341</b>	<b>38 097 341</b>	
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#### Net Assets

##### Net Assets Attributable to Owners of Controlling Entity

##### Reserves

Revaluation reserve	43 621 000	(1 048 000)	<b>42 573 000</b>	41 524 944	<b>(1 048 056)</b>	
Accumulated surplus	95 763 000	767 000	<b>96 530 000</b>	135 675 454	<b>39 145 454</b>	

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Total Net Assets</b>	<b>139 384 000</b>	<b>(281 000)</b>	<b>139 103 000</b>	<b>177 200 398</b>	<b>38 097 398</b>	

### Financial Position: Explanation of Variances between Approved Budget and Actual

'Reasons for Variances greater than 5% between the approved budget and the actual amount on the various items disclosed in the Statement of Financial Position are explained below:

*Inventories:*

Variance is less than 5%..

*Investments:*

The budget for investments is under cash and cash equivalents.

*Operating lease:*

The budget for operating lease is under other current assets, this is due to mSCOA not having a line for operating leases.

*Receivables from Exchange Transactions:*

The year to date movement comprises of prepaid subscriptions, services debtors and other debtors balances for the year.

*VAT receivable:*

The variance is due

*Current portion of long-term:*

The variance is due to payments and actuarial valuation performed during the current financial year.

*Cash and Cash Equivalents:*

The variance is due to the municipality not spending 100% of the final budget.

*Operating Lease Receivables:*

'Operating lease receivables is made of the contract the municipality has with MTN.

*Property, Plant and Equipment:*

The variance is as a result of additions, disposals and depreciation to PPE of the municipality.

*Intangible Assets:*

The variance is due to the additions, and amortisation during the financial year.

*Long-term Receivables:*

Due to the actuarial valuation performed during the current financial year.

*Statutory Receivables:*

The variance is due to the reclassification done during the current year.

*Consumer Deposits:*

The variance is due to the accumulating deposits of the consumers which was claimed during the financial year.

*Payables from Exchange Transactions:*

The variance is due to the fact that most suppliers were paid by 30 June 2025.

*Unspent Conditional Grants and Receipts:*

The municipality anticipated that it would spend all its grant allocations at the end of the financial year, however there is an underspending on RRAMS, FMG, EEDSM, Aids grant and Covid-19 grant.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

*Employee benefits liabilities:*

The variance is as a result of the actuarial valuation performed at the end of the year.

*Reserves:*

The variance is due to the depreciation off-set, due to the revaluation model.

*Accumulated Surplus / (Deficit):*

Combination of reasons stated above

*Reason for adjustment to original budget*

Please refer to the adjustment budget for reasons on variances from the original budget.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

### Cash Flow Statement

#### Cash flows from operating activities

##### Receipts

Grants	150 819 000	101 000	<b>150 920 000</b>	148 035 306	<b>(2 884 694)</b>	
Interest income	9 600 000	-	<b>9 600 000</b>	13 826 928	<b>4 226 928</b>	
Other receipts	197 000	-	<b>197 000</b>	407 994	<b>210 994</b>	
	<b>160 616 000</b>	<b>101 000</b>	<b>160 717 000</b>	<b>162 270 228</b>	<b>1 553 228</b>	

##### Payments

Suppliers and employees	(156 602 000)	5 337 000	<b>(151 265 000)</b>	(132 541 527)	<b>18 723 473</b>	
Transfer ans subsidies	(5 502 000)	(18 000)	<b>(5 520 000)</b>	-	<b>5 520 000</b>	
	<b>(162 104 000)</b>	<b>5 319 000</b>	<b>(156 785 000)</b>	<b>(132 541 527)</b>	<b>24 243 473</b>	

#### Net cash flows from operating activities

	<b>(1 488 000)</b>	<b>5 420 000</b>	<b>3 932 000</b>	<b>29 728 701</b>	<b>25 796 701</b>	
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#### Cash flows from investing activities

Decrease/ (Increase) in Current Investments	-	-	-	600 000	<b>600 000</b>	
Decrease / (Increase) in Long-term Receivables	-	-	-	(578 000)	<b>(578 000)</b>	0%
Purchase of capital assets	(12 325 000)	6 871 000	<b>(5 454 000)</b>	(3 274 242)	<b>2 179 758</b>	
<b>Net cash flows from investing activities</b>	<b>(12 325 000)</b>	<b>6 871 000</b>	<b>(5 454 000)</b>	<b>(3 252 242)</b>	<b>2 201 758</b>	

#### Net increase/(decrease) in cash and cash equivalents

	(13 813 000)	12 291 000	<b>(1 522 000)</b>	26 476 459	<b>27 998 459</b>	
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#### Cash and cash equivalents at the beginning of the year

	124 413 000	(914 000)	<b>123 499 000</b>	113 099 485	<b>(10 399 515)</b>	
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#### Cash and cash equivalents at the end of the year

	<b>110 600 000</b>	<b>11 377 000</b>	<b>121 977 000</b>	<b>139 575 944</b>	<b>17 598 944</b>	
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### Cash Flow: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% between the approved budget and the actual amount on the various items disclosed in the Cash Flow Statement are explained below:

#### Interest income:

Variance is due to higher interest rate received than anticipated during the financial year.

#### Other Receipts:

VAT receivable is accounted for under other receipts.

#### VAT Receivable / Payable:

Vat included in other receipts.

#### Suppliers Paid:

The variance is due operational cost and contracted services projects which were completed with savings and variances

#### Purchase of Property, Plant and Equipment:

The variance is due to purchases of property, plant and equipment and intangible assets.

**Statement of Comparison of Budget and Actual Amounts**

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Budget on Cash Basis

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

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*Reason for adjustment to original budget*

Please refer to the adjustment budget for reasons on variances from the original budget.

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2025</b>											
<b>Financial Performance</b>											
Investment revenue	9 600 000	-	9 600 000	-	-	9 600 000	13 826 928	-	4 226 928	144 %	144 %
Transfers recognised - operational	150 819 000	101 000	150 920 000	-	-	150 920 000	147 618 245	-	(3 301 755)	98 %	98 %
Other own revenue	171 000	-	171 000	-	-	171 000	1 454 282	-	1 283 282	850 %	850 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>160 590 000</b>	<b>101 000</b>	<b>160 691 000</b>	<b>-</b>	<b>-</b>	<b>160 691 000</b>	<b>162 899 455</b>	<b>-</b>	<b>2 208 455</b>	<b>101 %</b>	<b>101 %</b>
Employee costs	(98 526 000)	8 722 000	(89 804 000)	-	-	(89 804 000)	(74 044 805)	-	15 759 195	82 %	75 %
Remuneration of councillors	(8 252 000)	(472 000)	(8 724 000)	-	-	(8 724 000)	(8 544 135)	-	179 865	98 %	104 %
Debt impairment	(20 000)	20 000	-	-	-	-	(3 934 679)	-	(3 934 679)	DIV/0 %	19 673 %
Depreciation and asset impairment	(6 363 000)	-	(6 363 000)	-	-	(6 363 000)	(4 669 139)	-	1 693 861	73 %	73 %
Materials and bulk purchases	(2 340 000)	(20 000)	(2 360 000)	-	-	(2 360 000)	(1 139 859)	-	1 220 141	48 %	49 %
Transfers and grants	(16 167 000)	(11 696 000)	(27 863 000)	-	-	(27 863 000)	(25 000 115)	-	2 862 885	90 %	155 %
Other expenditure	(47 127 000)	(2 227 000)	(49 354 000)	-	-	(49 354 000)	(30 982 275)	-	18 371 725	63 %	66 %
<b>Total expenditure</b>	<b>(178 795 000)</b>	<b>(5 673 000)</b>	<b>(184 468 000)</b>	<b>-</b>	<b>-</b>	<b>(184 468 000)</b>	<b>(148 315 007)</b>	<b>-</b>	<b>36 152 993</b>	<b>80 %</b>	<b>83 %</b>
<b>Surplus/(Deficit)</b>	<b>(18 205 000)</b>	<b>(5 572 000)</b>	<b>(23 777 000)</b>	<b>-</b>	<b>-</b>	<b>(23 777 000)</b>	<b>14 584 448</b>	<b>-</b>	<b>38 361 448</b>	<b>(61)%</b>	<b>(80)%</b>
<b>Surplus/(Deficit) for the year</b>	<b>(18 205 000)</b>	<b>(5 572 000)</b>	<b>(23 777 000)</b>	<b>-</b>	<b>-</b>	<b>(23 777 000)</b>	<b>14 584 448</b>	<b>-</b>	<b>38 361 448</b>	<b>(61)%</b>	<b>(80)%</b>

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget (i.t.o. s31 of the MFMA)	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Capital expenditure and funds sources</b>											
Total capital expenditure	10 674 000	(5 975 000)	4 699 000	-	-	4 699 000	3 252 242		(1 446 758)	69 %	30 %
<b>Sources of capital funds</b>											
Internally generated funds	10 674 000	(5 975 000)	4 699 000	-	-	4 699 000	3 252 242		(1 446 758)	69 %	30 %
<b>Cash flows</b>											
Net cash from (used) operating	(1 488 000)	5 420 000	3 932 000	-	-	3 932 000	29 728 701		25 796 701	756 % (1 998)%	
Net cash from (used) investing	(12 325 000)	6 871 000	(5 454 000)	-	-	(5 454 000)	(3 252 242)		2 201 758	60 %	26 %
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(13 813 000)</b>	<b>12 291 000</b>	<b>(1 522 000)</b>	-	-	<b>(1 522 000)</b>	<b>26 476 459</b>		<b>27 998 459 (1 740)%</b>	<b>(192)%</b>	
Cash and cash equivalents at the beginning of the year	124 413 000	(914 000)	123 499 000	-	-	123 499 000	113 099 485		(10 399 515)	92 %	91 %
<b>Cash and cash equivalents at year end</b>	<b>110 600 000</b>	<b>11 377 000</b>	<b>121 977 000</b>	-	-	<b>121 977 000</b>	<b>139 575 944</b>		<b>(17 598 944)</b>	<b>114 %</b>	<b>126 %</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

Figures in Rand	Note(s)	2025	2024
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### 1.1 BASIS FOR PRESENTATION

The Annual Financial Statements have been prepared on an Accrual Basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The municipality implemented the Municipal Standard Chart of Accounts (mSCOA) during the year ended 30 June 2018 as required in terms of the Municipal Regulations on Standard Chart of Accounts, announced by Government Gazette No 37577 of 22 April 2014, in section 168 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) and through directives and guidelines from National Treasury.

#### 1.1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

#### 1.1.2 Changes in Accounting Policy and Comparability

Accounting Policies have been consistently applied, except where otherwise indicated below.

The municipality has the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

#### 1.1.3 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

#### 1.1.4 Revenue Recognition

Accounting Policy 1.10 on Revenue from Exchange Transactions and Accounting Policy 1.10 on Revenue from Non-exchange

## Accounting Policies

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(continued)

Transactions describes the conditions under which revenue will be recorded by the management of the municipality. In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GRAP 23 (Revenue from Non-exchange Transactions). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Accounting Policy 1.8 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

### *Impairment of Trade 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 is performed per service-identifiable categories across all classes of debtors.

### **1.1.5 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property**

As described in Accounting Policies 1.3, and 1.5, the municipality depreciates its Property, Plant & Equipment and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to 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.

### **1.1.6 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories**

Accounting Policy 7 on Impairment of Assets, Accounting Policy 1.5 on Intangible Assets – Subsequent Measurement, Amortisation and Impairment describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment and impairment testing of Intangible Assets.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

Estimated impairments during the year to Plant and Equipment, and Intangible Assets are disclosed in Notes 10. and 11. to the Annual Financial Statements, if applicable.

### **1.1.7 Defined Benefit Plan Liabilities**

As described in Accounting Policy 1.12, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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(continued)

### 1.1.8 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

### 1.1.9 Budget Information

Deviations between budget and actual amounts are regarded as material differences when a 5% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

### 1.1.5 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

### 1.1.6 Standards, Amendments to Standards and Interpretations issued but not yet Effective

The following GRAP Standards have been amended and/or issued but are not yet effective and have not been early adopted by the municipality:

GRAP 25	Employee Benefits (Effective date to be determined)
GRAP 104	Financial Instruments (Effective 1 April 2025)
GRAP7	The limit on a define benefit asset, minimum funding requirement and their interaction (Effective date to be determined)
GRAP 21	The effect of past decisions on materiality (Effective 1 April 2023)

## 1.2 NET ASSETS

### 1.2.1 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to the Revaluation Reserve. Subsequent adjustments to the Revaluation Reserve are made in accordance with GRAP 17 (Property, Plant and Equipment).

### 1.2.2 Capital Replacement Reserve (CRR)

In order to finance the provision of Infrastructure and other items of Property, Plant and Equipment from internal sources, amounts are transferred from the Accumulated Surplus/(Deficit) to the CRR in terms of delegated powers.

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

The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the Investment Policy of the municipality.

The CRR may only be utilised for the purpose of purchasing items of Property, Plant and Equipment and may not be used for the maintenance of these items.

Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the Accumulated Surplus/(Deficit) is credited by a corresponding amount.

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## Accounting Policies

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(continued)

If a profit is made on the sale of assets other than land, the profit on these assets is reflected in Surplus or Deficit and is then transferred, via the Statement of Changes in Net Assets, to the CRR, provided that it is cash backed. Profit on the sale of land is not transferred to the CRR as it is regarded as revenue.

# Frances Baard District Municipality

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## Accounting Policies

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(continued)

### 1.3 PROPERTY, PLANT AND EQUIPMENT

#### 1.3.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost.

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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

#### 1.3.2 Subsequent Measurement

##### Plant and Equipment

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

##### Revaluation Model:

##### Buildings and Land

The municipality opted to adopt the application of the Revaluation Model for its land and buildings based on the conclusion that this is the more prudent approach for the municipality to follow. The assets are revalued every 5 years.

Subsequent to initial recognition land and buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by experienced valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

#### 1.3.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

**Accounting Policies**

(continued)

<b>Assets Class</b>	<b>Years</b>
<b>Land and Buildings</b>	
Land	Indefinite
Buildings	5 - 50
<b>Other</b>	
Computer Equipment	5 - 27
Emergency Equipment	5 - 27
Furniture and Fittings	4 - 30
Motor Vehicles	5 - 15
Office Equipment	5 - 27
Plant and Machinery	5 - 30
Security Assets	10 - 50
Roads and Pavements	5 - 50
Carpets	5 - 50

**1.3.4 Land**

Land is stated at fair value and is not depreciated as it is deemed to have an indefinite useful life.

**1.3.5 Incomplete Construction Work**

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

**1.3.6 Derecognition**

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

**1.4 HERITAGE ASSETS**

Heritage Assets are not depreciated owing to uncertainty regarding to their estimated useful lives. The municipality assess at each reporting date if there is an indication of impairment.

## Accounting Policies

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(continued)

### 1.4.1 Initial Recognition

Heritage Assets are initially recognised at cost.

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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

### 1.4.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses.

### 1.4.3 Derecognition

The gain or loss arising from the derecognition of an item of Heritage Assets is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

## 1.5 INTANGIBLE ASSETS

### 1.5.1 Initial Recognition

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

For internally generated Intangible Assets, all research expenditure is recognised as an expense as it is incurred and costs incurred on development projects are recognised as Intangible Assets in accordance with GRAP 31 (Intangible Assets). Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as Intangible Assets and amortised from the point at which the asset is available for use. Development assets are tested for impairment annually.

Intangible Assets are initially recognised at cost.

Where an Intangible 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 Intangible Asset acquired in exchange for 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. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

### 1.5.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

# Frances Baard District Municipality

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(continued)

Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

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

Assets Class	Years
Computer Software	3 - 10
Computer Software Licenses	3 - 10

### 1.5.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

## 1.6 INVESTMENT PROPERTY

### 1.6.1 Initial Recognition

At initial recognition, the municipality measures Investment Property at cost. However, where an Investment Property was acquired through a non-exchange transaction (i.e. where it acquired the Investment Property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

### 1.6.2 Subsequent Measurement

The municipality reviewed its application of the Fair Value Model and concluded that based on a lack of commercial substance for such valuations, the more prudent approach for the municipality would be to carry these assets at their cost prices. The municipality has no intention of selling its land and buildings and thus the Cost Model would represent the value of all land and buildings more fairly. The change has resulted in the municipality's Annual Financial Statements providing reliable and more relevant information about the value of Buildings and Land, based on the intended use of these assets in line with all valuation method of all other assets.

Investment Property is measured using the Cost Model and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 5 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an Investment Property is recognised in Surplus or Deficit.

### 1.6.3 Derecognition

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

## Accounting Policies

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(continued)

### 1.7 IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets.

All other assets are classified as Non-cash Generating Assets.

#### 1.7.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment of assets measured per the revaluation method reduces the Revaluation Surplus for that asset. The decrease shall be debited directly to a Revaluation Surplus to the extent of any credit balance existing in the Revaluation Surplus in respect of that asset.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase and would be credited directly against the Revaluation Surplus to the extent of any previous impairments recognised against said reserve in respect of that asset.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

#### 1.7.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

# Frances Baard District Municipality

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## Accounting Policies

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(continued)

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.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

### 1.8 FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement.

#### Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Fair Value Methods and Assumptions

The fair values of Financial Instruments are determined as follows:

The fair values of quoted investments are based on current bid prices.

If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

## Accounting Policies

(continued)

### 1.8.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Investment Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Call Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Bank	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Cash	Financial Assets at Fair Value

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

### 1.8.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Taxes and Transfers Payable	Financial Liabilities at Amortised Cost

Trade and Other Receivables (excluding Value Added Taxation, Prepayments and Operating Lease receivables), Loans to Municipal Entities and Loans that have fixed and determinable payments that are not quoted in an active market are classified as Financial Assets at Amortised Cost.

### 1.8.3 Initial and Subsequent Measurement

#### 1.8.3.1 Financial Assets:

##### Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

# Frances Baard District Municipality

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## Accounting Policies

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### Financial Assets measured at Cost

Financial Assets at Cost are initially measured at the transaction amount and transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at cost less any impairment.

### Financial Assets measured at Fair Value

Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in Surplus or Deficit.

### 1.8.3.2 Financial Liabilities:

#### Financial Liabilities measured at Fair Value

Financial Liabilities at Fair Value are stated at fair value, with any resulted gain or loss recognised in Surplus or Deficit.

#### Financial Liabilities held at Amortised Cost

Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

Prepayments are carried at cost less any accumulated impairment losses.

### 1.8.4 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

#### 1.8.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1.8.4.2 Financial Assets at Cost

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

### 1.8.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

### 1.8.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

## 1.9 INVENTORIES

### 1.9.1 Initial Recognition

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus 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.

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

### 1.9.2 Subsequent Measurement

#### 1.9.2.1 Consumable Stores, Raw Materials, Work-in-Progress and Finished Goods

Consumable stores distributed at no charge or for a nominal charge are valued at the lower of cost and current replacement cost. The cost is determined using the weighted average Method.

## Accounting Policies

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(continued)

### 1.9.2.2 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

## 1.10 REVENUE RECOGNITION

### 1.10.1 General

Revenue 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.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

### 1.10.2 Revenue from Exchange Transactions

#### 1.10.2.1 Rentals Received

Revenue from the rental of facilities and equipment is recognised on a Straight-line Basis over the term of the lease agreement.

#### 1.10.2.2 Finance Income

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

#### 1.10.2.3 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;

The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 1.10.3 Revenue from Non-exchange Transactions

#### 1.10.3.1 Public Contributions

Revenue from public contributions 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 are brought into use.

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## Accounting Policies

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### 1.10.3.2 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

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 government organs.

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

Unspent conditional grants are recognised as a liability when the grant is received.

When grant conditions are met an amount equal to the conditions met are transferred to revenue in the statement of financial performance.

The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest, it is recognised as interest earned in the statement of financial performance.

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

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

### 1.10.3.3 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

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 as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

### 1.11 PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the municipality, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances. Where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

## Accounting Policies

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(continued)

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. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

### 1.12 EMPLOYEE BENEFIT LIABILITIES

#### 1.12.1 Short-term Employee Benefits

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. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

#### 1.12.2 Provision for 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.

Accumulating 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.

Accumulated leave is vesting.

#### 1.12.3 Staff Bonuses Accrued

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

#### 1.12.4 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 56 employees, is recognised as it accrue to Section 56 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

#### 1.12.5 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

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## Accounting Policies

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### 1.12.5.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. 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.

### 1.12.5.2 Defined Benefit Plans

#### Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

#### Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

#### Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

#### Defined Benefit Pension Plans

The municipality has an obligation to provide Post-retirement Pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The municipality contributes monthly to the funds.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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(continued)

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

### Ex gratia Gratuities

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 liability, including notional interest, resulting from the valuation by the actuaries and are recognised in the statement of financial performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the statement of financial performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

### Provision for 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.

Accumulating 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.

Accumulated leave is vesting.

## 1.13 LEASES

### 1.13.1 The Municipality as Lessor

Rental revenue from Operating Leases is recognised on a Straight-line Basis over the term of the relevant lease.

## 1.14 GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;

Expect to be repaid in future; or

Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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(continued)

### 1.15 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

### 1.16 UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to Unauthorised

Expenditure is accounted for as an expense in Surplus or Deficit 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 Surplus or Deficit.

### 1.17 IRREGULAR EXPENDITURE

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

### 1.18 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 accounted for as expenditure in Surplus or Deficit 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 Surplus or Deficit.

### 1.19 MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing municipalities and municipal entities.

### 1.20 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

### 1.21 STATUTORY RECEIVABLES

The municipality recognised and disclosed its Statutory Receivables in its books at year-end. The transactions relates to all the legislative transactions which were due to the municipality at year end.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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(continued)

### 1.22 COMMITMENTS

Commitments are future expenditure to which the municipality committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in Surplus or Deficit, but are included in the disclosure Notes. A distinction is made between capital and current commitments.

The municipality discloses capital expenditure budgeted for but not yet committed.

### 1.23 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises of the Councillors and Executive Management.

### 1.24 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.

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

The municipality's segments are grouped in accordance with mSCOA functional classification. The material information of actual transactions that relates to segment reporting are derived from the statement of financial performance, which is the same basis applied on section 71 reporting.

### 1.25 EVENTS AFTER THE 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 Notes to the Annual Financial Statements.

### 1.26 BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2024 to 30 June 2025.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>2. Inventories</b>		
Consumable stores	330 350	335 206
<b>Reconciliation</b>		
Opening balance	335 207	239 492
Purchases	353 254	438 626
Issues	(358 111)	(342 911)
<b>Closing balance</b>	<b>330 350</b>	<b>335 207</b>

Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.

Stores issues amounted to R358,111 for the current year (2024: R342,911)

No Inventories have been pledged as collateral for liabilities of the municipality

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>3. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Service debtors	9 983 085	7 484 274
Prepayments and Advances	1 476 051	1 614 350
Other Debtors	368 792	214 451
	<b>11 827 928</b>	<b>9 313 075</b>
<b>Less: Allowance for impairment</b>		
Trade debtors	(4 325 482)	(390 803)
Prepayments and Advances	-	-
	<b>(4 325 482)</b>	<b>(390 803)</b>
<b>Net balance</b>		
Service Debtors	5 657 603	7 093 471
Prepayments and Advances	1 476 051	1 614 350
Other Debtors	368 792	214 451
	<b>7 502 446</b>	<b>8 922 272</b>
<b>Service Debtors Ageing</b>		
Current (0 -30 days)	672 001	209 485
31 - 60 days	171 918	139 780
61 - 90 days	219 274	314 815
91+ days	4 594 410	6 429 391
	<b>5 657 603</b>	<b>7 093 471</b>
<b>Prepayments and Advances Ageing</b>		
Current (0 -30 days)	1 476 051	1 614 350
31 - 60 days	-	-
61 - 90 days	-	-
91+ days	-	-
	<b>1 476 051</b>	<b>1 614 350</b>
<b>Other Debtors Ageing</b>		
Current (0 -30 days)	368 792	214 451
31 - 60 days	-	-
61 - 90 days	-	-
91+ days	-	-
	<b>368 792</b>	<b>214 451</b>
<b>Service Debtors By Type</b>		
Provincial Departments	8 570 034	6 462 884
Councillors	321 094	395 065
Officials	5 979	5 979
Medical Aid Debtor	1 871	1 871
Private Business	633 104	618 475
Local Municipalities	451 004	-
	<b>9 983 086</b>	<b>7 484 274</b>
<b>Summary of debtors by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	672 001	209 485
31 - 60 days	171 918	139 780

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>3. Receivables from exchange transactions (continued)</b>		
61 - 90 days	169 585	314 815
91+ days	8 969 580	6 838 079
	<u>9 983 084</u>	<u>7 502 159</u>
Less: Allowance for impairment	(4 325 482)	(390 803)
	<b><u>5 657 602</u></b>	<b><u>7 111 356</u></b>
<b>Prepayments and Advances</b>		
Current (0 -30 days)	1 476 051	1 614 350
31 - 60 days	-	-
61 - 90 days	-	-
91+ days	-	-
	<u>1 476 051</u>	<u>1 614 350</u>
Less: Allowance for impairment	-	-
	<b><u>1 476 051</u></b>	<b><u>1 614 350</u></b>
<b>Other Debtors</b>		
Current (0 -30 days)	368 792	214 451
31 - 60 days	-	-
61 - 90 days	-	-
91+ days	-	-
	<u>368 792</u>	<u>214 451</u>
Less: Allowance for impairment	-	-
	<b><u>368 792</u></b>	<b><u>214 451</u></b>
<b>Total Debtors</b>		
Current (0 -30 days)	2 520 107	2 038 286
31 - 60 days	171 918	139 780
61 - 90 days	169 585	314 815
91+ days	8 969 580	6 820 649
	<u>11 831 190</u>	<u>9 313 530</u>
Less: Allowance for impairment	(4 325 482)	(390 803)
	<b><u>7 505 708</u></b>	<b><u>8 922 727</u></b>
As at 30 June 2025 Receivables of R9,311,083 (30 June 2024 - R6,901,871) were past due on accounts older than 30 days, R4,325,482 (30 June 2024 - R390,803) was assessed to be impaired in accordance with the municipal policy. The age analysis of these Receivables are as follows:		
<b>Total debtor past due and impaired</b>		
Current (0 -30 days)	-	-
31 - 60 days	171 918	139 780
61 - 90 days	169 585	314 815
91+ days	8 969 580	6 447 276
	<u>9 311 083</u>	<u>6 901 871</u>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	390 803	95 523
Contributions to allowance	3 934 679	295 280
Debt impairment written off against allowance	-	-
Reversal of allowance	-	-
	<u>4 325 482</u>	<u>390 803</u>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 4. Statutory Receivables

Recovery of disaster grant DORA	389 000	389 000
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**Statutory receivables included in receivables from non-exchange transactions above are as follows:**

Recovery of disaster grant DORA	389 000	389 000
Provision for impairment	-	-
	<b>389 000</b>	<b>389 000</b>

<b>Total receivables from non-exchange transactions</b>	<b>389 000</b>	<b>389 000</b>
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An amount of R389 000 was gazetted in the 2019/20 Northern Cape Provincial Gazette. The Disaster Grant was due from Department of Co-operative Governance, Human Settlements and Traditional Affairs and has not yet been received. The Northern Cape Provincial Government has not issued any gazettee reversing the allocation. Such amount has been recognised as a debtor, and management has considered to follow the legal route in line with the legal framework.

None of the statutory receivables have been pledged as security.

### 5. Investments

**Residual interest at cost**

Fixed term deposit	9 800 000	10 400 000
Fixed deposit at deposit taking institution until 30 June 2026		

**Reconciliation**

Opening Balance	10 400 000	11 000 000
Invested	9 800 000	10 400 000
Withdrawn	(10 400 000)	(11 000 000)
	<b>9 800 000</b>	<b>10 400 000</b>

#### 2025

	Cashbook	Bank statement
Nedbank	9 800 000	9 800 000
		-

#### 2024

	Cashbook	Bank statement
ABSA	10 400 000	10 400 000
		-

None of the investments are pledged as security.

### 6. VAT receivable

VAT	1 261 963	1 640 078
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**Reconciliation**

Opening Balance	1 640 078	2 631 927
Input VAT	6 227 591	7 996 313
Output VAT	(50 814)	(4 196)
VAT Accruals	(58 317)	(36 767)
Sars Refunds	(6 496 575)	(8 947 199)
	<b>1 261 963</b>	<b>1 640 078</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

2025

2024

### 6. VAT receivable (continued)

VAT is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

None of the VAT receivable is pledged as security.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 299	3 297
Bank balances	10 109 307	5 937 581
Current Investments - Short-term deposits	129 463 338	107 158 607
	<b>139 575 944</b>	<b>113 099 485</b>

### The list of municipal bank accounts

Bank accounts	Bank statement balances		Cash book balances	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
FNB - Kimberley Regional Office - Primary Account	11 565 290	7 106 967	10 109 307	5 937 581

#### 7.1 Current Investment Deposits

	129 463 338	107 158 607
<b>Total Current Investment Deposits</b>	<b>129 463 338</b>	<b>107 158 607</b>

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 4.6% to 8.9% (2024: 4.60 % to 9.6 %) per annum.

Notice Deposits are investments with a maturity period of less than 12 months and earn interest rates varying from 7.85% to 9.67 % (2024: 4.60 % to 9.6 %) per annum.

#### 7.2 Notice Deposits

Deposits attributable to Unspent Conditional Grants	1 988 197	1 571 136
Deposits attributable to Capital Replacement Reserve	7 957 082	7 957 082
Deposits attributable to Payables	10 128 203	5 530 222
Deposits attributable to Current Provisions	13 480 974	13 396 888
Deposits attributable to Consumer Deposits	7 270	4 370
Deposits available for operations	95 901 612	78 698 909
<b>Total Deposits attributable to Commitments of the Municipality</b>	<b>129 463 338</b>	<b>107 158 607</b>

#### 7.3 Bank Accounts

Cash in bank	10 109 307	5 937 581
Bank Overdraft	-	-
<b>Total bank accounts</b>	<b>10 109 307</b>	<b>5 937 581</b>

#### Primary Bank Account

<b>FNB - Kimberley Regional Office - Primary Account:</b>		
Cash book balance at end of year	10 109 307	5 937 581

#### FNB - Kimberley Regional Office - Primary Account:

Bank statement balance at end of year	11 565 290	7 106 967
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The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>7. Cash and cash equivalents (continued)</b>		
<b>2025</b>	<b>Cashbook</b>	<b>Bank statement</b>
ABSA	31 986 214	31 986 113
FNB	35 377 124	34 998 412
Nedbank	32 100 000	32 100 000
Standard Bank	30 000 000	30 000 000
	<b>129 463 338</b>	<b>129 084 525</b>
<b>2024</b>	<b>Cashbook</b>	<b>Bank statement</b>
ABSA	26 986 214	26 986 114
FNB	30 998 749	30 998 585
Nedbank	32 173 644	32 100 000
Standard Bank	17 000 000	17 000 000
	<b>107 158 607</b>	<b>107 084 699</b>
<b>Cash on hand</b>		
	3 299	3 297
<b>Total Cash on hand in Cash Floats, Advances and Equivalents</b>	<b>3 299</b>	<b>3 297</b>
<b>Total cash and cash equivalents</b>	<b>139 575 944</b>	<b>113 099 485</b>

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents.

## 8. Long-term Receivables

### 8.1 Employee Benefits

Opening Balance	6 339 000	7 124 000
Interest cost	698 000	818 000
Payments made	(633 138)	(633 679)
Actuarial loss/(gain)	572 138	(969 321)
<b>Total Long Term Receivables</b>	<b>6 977 000</b>	<b>6 339 000</b>
Less: Current Portion transferred to Current Receivables:-Employee Benefits	(671 000)	(611 000)
<b>Non-Current Portion of Long Term Receivables</b>	<b>6 306 000</b>	<b>5 728 000</b>

### Employee benefits receivables

The municipality managed an agency service on behalf of the Department of Roads and Public Works until 30 June 2011. The service has been transferred back to the department from 01 July 2011. As per the agreement, the municipality will continue payment of the post-service medical aid premiums of the retired employees to the service provider. The department will refund the employer's portion of the instalment and the members will be responsible for the employee portion. Outstanding amounts are treated as receivables from non-exchange transactions. The receivables is valued by actuaries on a yearly basis which forms part of the analysis as per the employee benefits, refer to note 13.

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand

#### 9. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	3 120 700	-	3 120 700	3 120 700	-	3 120 700
Buildings and Ancillary Assets	60 879 891	(6 940 715)	53 939 176	60 824 549	(5 077 090)	55 747 459
Plant and machinery	8 142 739	(5 689 926)	2 452 813	8 305 511	(5 832 916)	2 472 595
Furniture and fixtures	8 395 380	(7 552 283)	843 097	8 878 249	(7 810 875)	1 067 374
Motor vehicles	11 741 438	(7 623 977)	4 117 461	12 030 418	(8 489 874)	3 540 544
IT equipment	7 523 708	(5 851 651)	1 672 057	8 026 139	(5 782 944)	2 243 195
Work In Progress	2 182 806	-	2 182 806	2 182 806	-	2 182 806
<b>Total</b>	<b>101 986 662</b>	<b>(33 658 552)</b>	<b>68 328 110</b>	<b>103 368 372</b>	<b>(32 993 699)</b>	<b>70 374 673</b>

**Frances Baard District Municipality**  
Annual Financial Statements for the year ended 30 June 2025

**Notes to the Annual Financial Statements**

Figures in Rand

**9. Property, plant and equipment (continued)**

**9.1 Reconciliation of property, plant and equipment - 2025**

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Impairment loss	Total
Land	3 120 700	-	-	-	-	-	-	-	3 120 700
Buildings and Ancillary Assets	55 747 459	146 700	(80 924)	-	-	-	(1 874 060)	-	53 939 176
Plant and machinery	2 472 595	1 091 965	(570 267)	-	-	-	(542 333)	-	2 452 812
Furniture and fixtures	1 067 374	116 888	(10 631)	-	-	-	(330 534)	-	843 096
Motor vehicles	3 540 544	1 510 818	(6 408)	-	-	-	(927 493)	-	4 117 462
IT equipment	2 243 195	186 252	(11 751)	-	-	-	(745 637)	-	1 672 057
Work In Progress	2 182 806	-	-	-	-	-	-	-	2 182 806
	<b>70 374 673</b>	<b>3 052 623</b>	<b>(679 981)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 420 056)</b>	<b>-</b>	<b>68 328 109</b>

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)	Opening balance	Additions	Disposals	Transfers received	Transfers	Depreciation	Total
<b>9.2 Reconciliation of property, plant and equipment - 2024</b>							
Land	3 120 700	-	-	-	-	-	3 120 700
Buildings and Ancillary Assets	53 200 329	996 550	-	3 295 952	-	(1 745 372)	55 747 459
Plant and machinery	2 280 676	488 512	(2 096)	157 368	-	(451 865)	2 472 595
Furniture and fixtures	1 227 600	142 665	(496)	37 019	-	(339 414)	1 067 374
Motor vehicles	2 244 246	1 960 725	(1 323)	-	-	(663 104)	3 540 544
IT equipment	2 567 868	496 578	(4 675)	-	-	(816 576)	2 243 195
Work In Progress	5 673 145	-	-	-	(3 490 339)	-	2 182 806
	<b>70 314 564</b>	<b>4 085 030</b>	<b>(8 590)</b>	<b>3 490 339</b>	<b>(3 490 339)</b>	<b>(4 016 331)</b>	<b>70 374 673</b>

### 9.3 Gross Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use

There are no Property, Plant and Equipment that is fully depreciated at year-end and still in use by the municipality.

### 9.4 Carrying Amount of Property, Plant and Equipment retired from active use and not classified as a Discontinued Operation

No Property, Plant and Equipment were retired from active use and not classified as a Discontinued Operation during the financial year.

### 9.5 Assets pledged as security

The municipality did not pledge any of its assets as security.

### 9.6 Impairment of Property, Plant and Equipment

No impairment losses have been recognised on Property, Plant and Equipment of the municipality at the reporting date.

### 9.7 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

There were changes in the estimated useful life of various assets during the financial year due to the reassessment of useful lives. The changes resulted in a decrease in current year depreciation by R886,151

### 9.8 Land and Buildings carried at Fair Value

The municipality's Land and Buildings are accounted for according to the revaluation value model. Revaluation is done every five years.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 9. Property, plant and equipment (continued)

#### 9.9 Property, plant and equipment in the process of being constructed or developed

##### Cumulative expenditure recognised in the carrying value of property, plant and equipment

Buildings	2 182 806	2 182 806
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##### Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

Project 1: Disaster Management Center - Delayed	2 182 806	2 182 806
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The project is delayed due to sourcing of funds ensuring sufficiency for all its phases. The municipality is currently building a case for Municipal Infrastructure Grant funding with the view on amendment to White Paper on Local Government and hosting District Disaster Model.

	<b>2 182 806</b>	<b>2 182 806</b>
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#### Reconciliation of Work-in-Progress 2025

	Included within Infrastructure	Included within Community	Total
Opening balance	-	2 182 806	2 182 806
Additions/capital expenditure	-	-	-
	<b>-</b>	<b>2 182 806</b>	<b>2 182 806</b>

#### Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	-	5 534 674	138 471	5 673 145
Additions/capital expenditure	-	-	-	-
Transferred to completed items	-	(3 351 868)	(138 471)	(3 490 339)
	<b>-</b>	<b>2 182 806</b>	<b>-</b>	<b>2 182 806</b>

#### 9.10 Expenditure incurred to repair and maintain property, plant and equipment

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

Computer Equipment	6 845	9 890
Furniture and Office Equipment	548 463	419 799
Machinery and Equipment	77 326	256 142
Other Assets - Buildings	448 978	356 777
Transport Assets	459 574	244 491
	<b>1 541 186</b>	<b>1 287 099</b>

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance have been restated as follows:

	Restated R0	Previously reported R18 014
Information and Communication Infrastructure	R419 799	R432 377

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

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#### 10. Intangible assets

	2025		2024	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Cost / Valuation	Accumulated amortisation and accumulated impairment
Computer software	3 735 521	(3 024 020)	3 513 903	(2 774 654)
		711 501		739 249

#### 10.1 Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	739 248	221 619	(249 366)	711 501

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

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#### 10. Intangible assets (continued)

##### 10.2 Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	1 700 446	9 349	(1 111)	(969 435)	739 249

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (**see Note 27**).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Refer to Appendix "B" for more detail on Intangible Assets.

##### 10.3 Significant Intangible Assets

There are no significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 31.

##### 10.4 Intangible Assets with Indefinite Useful Lives and change in accounting estimates

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

There are changes in the estimated useful life of some intangible assets during the financial year due to the reassessment of useful live.

##### 10.5 Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

##### 10.6 Work-in-Progress

The municipality had no capital projects for Intangible Assets which were not completed at year-end.

##### 10.7 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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### 10. Intangible assets (continued)

#### 10.7 Expenditure incurred to repair and maintain intangible assets

##### Cumulative expenditure recognised in the carrying value of Intangible assets

Computer software	3 577 341	2 804 248
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Cumulative expenditure recognised in the carrying value of Intangible assets were restated as follows:

	Restated	Previously Reported
Licenses and franchises	R 0	R 2 660 398
Computer software, internally generated	R 0	R 143 850
Computer software	R 2 804 248	R 0

Reason for restatement is that the municipality only has one class of intangible assets

## Frances Baard District Municipality

### Annual Financial Statements for the year ended 30 June 2025

# Notes to the Annual Financial Statements

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#### 11. Heritage assets

	2025		2024	
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses
Art Collections, antiquities and exhibits	-	631 417	631 417	-
				631 417

#### 11.1 Reconciliation of heritage assets 2025

Opening balance	Additions	Disposals	Transfers	Impairment losses recognised	Total
Art Collections, antiquities and exhibits	-	-	-	-	631 417

#### 11.2 Reconciliation of heritage assets 2024

Opening balance	Additions	Disposals	Transfers	Impairment losses recognised	Total
Art Collections, antiquities and exhibits	-	-	-	-	631 417

All of the municipality's Heritage Assets are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Heritage Assets of the municipality.

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

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#### 11. Heritage assets (continued)

##### 11.3 Impairment of Heritage Assets

No impairment losses have been recognised on Heritage Assets of the municipality at the reporting date.

##### 11.4 Heritage Assets measured after recognition using the Cost Model

The municipality's Heritage Assets are accounted for according to the cost model and therefore no fair value has been determined.

##### 11.5 Work-in-Progress

The municipality had no capital projects for Heritage Assets which were not completed at year-end.

##### 11.6 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

##### 11.7 Expenditure incurred to repair and maintain heritage assets

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 12. Operating lease asset (receivable)

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:

Non-current assets	46 328	-
Current assets	-	8 804
	<b>46 328</b>	<b>8 804</b>

### Reconciliation of Operating Lease Receivables

Balance at beginning of year	8 804	39 285
Operating lease instalment reversal/adjustment	(8 804)	-
Operating Lease Revenue affected	46 328	(30 481)
	<b>46 328</b>	<b>8 804</b>

### The following amounts are due as shown below:

Up to 1 year	-	8 804
Later than 1 but not later than 5 years	46 328	-
	<b>46 328</b>	<b>8 804</b>

### 12.1 Leasing Arrangements

#### *The Municipality as Lessor:*

Operating Leases relate to Property owned by the municipality with lease terms of 60 months (2024/25: 60 months), the new lease came into effect on 01 October 2024.

The operating lease contract contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

#### Amounts receivable under Operating Leases

### 12.2 At the Reporting Date the following minimum lease payments were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	345 000	259 738
2 to 5 years	1 688 851	-
	<b>2 033 851</b>	<b>259 738</b>

The following restrictions have been imposed by the municipality in terms of the lease agreements:

- (i) The lessee shall not have the right to sublet, cede or assign the whole or any portion of the premises let.
- (ii) The lessor or its duly authorised agent, representative or servant shall have the right at all reasonable times to inspect the premises let.
- (iii) The lessee shall use the premises let for the sole purpose prescribed in the agreement

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 13. Employee benefit obligations

#### Defined benefit plan

##### 13.1 Employee Benefit Liabilities

Post-retirement Health Care Benefits Liability	31 983 000	29 194 000
Long Service Awards Liability	3 656 000	3 247 000
<b>Total Employee Benefit Liabilities</b>	<b>35 639 000</b>	<b>32 441 000</b>
<b>Less: Current Portion of Employee Benefit Liabilities</b>	<b>-</b>	<b>-</b>
Current - Post-retirement Health Care Benefits Liability	(2 350 000)	(2 341 000)
Current - Long Service Awards Liability	(557 000)	(264 000)
	<b>32 732 000</b>	<b>29 836 000</b>
Non-current liabilities	32 749 010	29 853 233
Current liabilities	13 480 974	13 396 888
	<b>46 229 984</b>	<b>43 250 121</b>

##### 13.2 Post-retirement Health Care Benefits Liability

#### Liability

Opening balance	29 194 000	28 511 999
Interest cost	3 243 000	3 309 000
Current service cost	482 000	446 000
Actual employer benefit payments	(2 343 358)	(2 250 665)
Actuarial loss/ (gain) recognised in the year	1 407 358	(822 335)
<b>Balance at end of Year</b>	<b>31 983 000</b>	<b>29 193 999</b>
<b>Less: Current Portion of Liability</b>	<b>(2 350 000)</b>	<b>(2 341 000)</b>
<b>Non-Current Portion of Liability</b>	<b>29 633 000</b>	<b>26 852 999</b>

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 by Mr. Chanan Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	74	70
In-service Non-Members (Employees)	16	14
Continuation Members (Retirees, widowers and orphans)	31	34
<b>Total Members</b>	<b>121</b>	<b>118</b>

The liability in respect of past service has been estimated as follows:

In-service Members (Employees)	8 448 000	6 666 000
In-service Non-members (Employees)	334 000	281 000
Continuation Members (Retirees, widowers and orphans)	23 201 000	22 247 000
<b>Total Liability</b>	<b>31 983 000</b>	<b>29 194 000</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 13. Employee benefit obligations (continued)

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Keyhealth
- LA Health
- Hosmed
- Samwumed

The Current Service Cost for the year ending 30 June 2025 is estimated to be R480,00 whereas the cost for the ensuing year (30 June 2026) is estimated to be R559,000.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	10.73%	11.56%
Health Care Cost Inflation Rate	6.60%	7.11%
CPI Inflation Rate	4.80%	5.61%
Net Effective Discount Rate	3.85%	7.11%
Expected Rate of Salary Increase	5.01%	5%
Expected Retirement Age - Females	63	63
Expected Retirement Age - Males	63	63

Movements in the present value of the Defined Benefit Obligation were as follows:

<b>Liability</b>		
Opening balance	29 194 000	28 511 990
Interest cost	3 243 000	3 309 000
Current service cost	482 000	446 000
Actual employer benefit payments	(2 343 358)	(2 250 665)
Actuarial loss/(gain) recognised in the year	1 407 358	(822 335)
<b>Total Recognised Benefit Liability</b>	<b>31 983 000</b>	<b>29 193 990</b>

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	31 983 000	29 193 990
Unfunded Accrued Liability	31 983 000	29 193 990
<b>Total Benefit Liability</b>	<b>31 983 000</b>	<b>29 193 990</b>

The history of fair values are as follows:

	2025	2024	2023	2022	2021
Present Value of Defined Benefit Obligation	31 983 000	29 193 990	28 511 990	29 999 999	28 967 999
Experienced adjustments on Plan Liabilities	382 000	(640 000)	578 000	864 000	4 073 000

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

<b>Increase:</b>	-	-
Effect on the aggregate of the current service cost and the interest cost	1	4 207 000
Effect on the defined benefit obligation	1	35 610 000
<b>Decrease:</b>	-	-

## Notes to the Annual Financial Statements

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### 13. Employee benefit obligations (continued)

Effect on the aggregate of the current service cost and the interest cost	(1)	3 327 000
Effect on the defined benefit obligation	(1)	28 923 000

The municipality expects to make a contribution of R2,473,000 (2024: R2,341,000) to the Defined Benefit Plans during the next financial year.

Refer to Note 48, "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

### 13.3 Long Service Awards Liability

Opening balance	3 247 000	3 233 963
Current service cost	305 000	312 000
Interest cost	352 000	358 000
Actual employer benefit payments	(303 784)	(268 074)
Actuarial loss/(gain) recognised in the year	55 784	(388 926)
Balance at end of year	3 656 000	3 246 963
Less: Current Portion of Liability	(557 000)	(264 000)
<b>Total Non-Current - Long Service Awards Liability</b>	<b>3 099 000</b>	<b>2 982 963</b>

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter to 45 years, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2025 by Chanan Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

At year end, 90 (2024: 84) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2025 is estimated to be R305,000 whereas the cost for the ensuing year (30 June 2026) is estimated to be R324,000.

### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	10.00%	11.29%
CPI inflation rate	4.00%	5.42%
General earnings inflation rate	5.00%	6.42%
Net discount rate	4.76%	4.58%
Expected Retirement Age - Females	63	63
Expected Retirement Age - Males	63	63

### Movements in the present value of the Defined Benefit Obligation were as follows:

Opening balance	3 247 000	3 233 963
Increases	712 784	281 074
Payments Made	(303 784)	(268 074)
	<b>3 656 000</b>	<b>3 246 963</b>

### The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	3 656 000	3 246 963
Unfunded Accrued Liability	3 656 000	3 246 963

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 13. Employee benefit obligations (continued)

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	305 000	312 000
Interest cost	352 000	358 000
	-	-
Actuarial losses/(gains)	55 784	(388 926)
<b>Total Post-retirement Benefit included in Employee Related Costs</b>	<b>712 784</b>	<b>281 074</b>

The history of fair values are as follows:

	2025	2024	2023	2022	2021
	3 656 000	3 246 963	3 233 963	3 431 963	3 102 963

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

#### Increase

Effect on the aggregate of the current cost and the interest cost	1	704 000
Effect on the defined benefit obligation	1	3 869 000

#### Decrease

Effect on the aggregate of the current cost and the interest cost	(1)	614 000
Effect on the defined benefit obligation	(1)	3 461 000

The municipality expects to make a contribution of R557,000 (2024: R264,000) to the defined benefit plan during the next financial year.

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

#### Carrying value

Present value of the defined benefit obligation-wholly unfunded	(32 749 010)	(29 853 233)
Present value of the defined obligation - current	(13 480 974)	(13 396 888)
	<b>(46 229 984)</b>	<b>(43 250 121)</b>

Non-current liabilities	(32 749 010)	(29 853 233)
Current liabilities	(13 480 974)	(13 396 888)
	<b>(46 229 984)</b>	<b>(43 250 121)</b>

The major categories of plan assets as a percentage of total plan assets are as follows:

### 13.4 Current Liabilities: Employee benefit obligation

Reconciliation - 2025	Opening Balance	Additions	Payments made	Reversed/Reductions during the year	Total
Ex-gratia Pensions	11 280	-	-	(560)	10 720
Leave provision	10 260 145	6 561 543	(7 154 836)	-	9 666 852
Performance bonus provision	520 462	823 129	(258 691)	-	1 084 900
Post-retirement health care cost	2 341 000	9 000	-	-	2 350 000
Long service award	264 000	293 000	-	-	557 000
	<b>13 396 887</b>	<b>7 686 672</b>	<b>(7 413 527)</b>	<b>(560)</b>	<b>13 669 472</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 13. Employee benefit obligations (continued)

Reconciliation - 2024	Opening Balance	Additions	Payments made	Reversed/ Reductions during the year	Total
Ex-gratia Pensions	11 420	-	-	(140)	11 280
Leave provision	8 760 200	9 046 308	(7 546 363)	-	10 260 145
Performance bonus provision	415 306	440 783	(335 627)	-	520 462
Post-retirement health care cost	2 347 000	-	(6 000)	-	2 341 000
Long service award	307 000	-	-	(43 000)	264 000
	<b>11 840 926</b>	<b>9 487 091</b>	<b>(7 887 990)</b>	<b>(43 140)</b>	<b>13 396 887</b>

### 13.5 The movement in Non-current Employee benefit obligations are reconciled as follows:

Staff Benefit:

#### Ex-Gratia Pension

Opening balance	17 010	18 551
Increases	2 090	2 280
Payment Made	(13 331)	(13 331)
Other reductions	-	-
Reversals	10 891	9 631
	<b>16 660</b>	<b>17 131</b>

#### Ex-gratia Pensions

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.

#### Leave Provision

Leave Provision Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

#### Performance Bonus

Performance accrue to directors on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

### 14. Payables from exchange transactions

Trade payables	8 118 463	3 485 805
Bonus	1 970 556	2 038 524
Third Party Payments	39 184	5 896
	<b>10 128 203</b>	<b>5 530 225</b>

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The municipality did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the municipality.

The management of the municipality is of the opinion that the carrying value of Creditors approximates their fair values.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Rural Road Asset Management System Grant (RRAMS)	30 691	42 625
National Revenue Fund - Fuel Levy & Equitable Share	1 031 708	1 031 708
Provincial Government	199 686	199 686
Financial Management Grant (FMG)	445 698	296 702
Expanded Public Woks Programme (EPWP)	414	415
Energy Efficiency and Demand Side Management (EEDSM)	280 000	-
	<b>1 988 197</b>	<b>1 571 136</b>

#### Movement during the year

Balance at the beginning of the year	1 571 136	1 351 693
Additions during the year	9 242 306	5 535 313
Income recognition during the year	(8 485 245)	(5 216 870)
Repayment of unspent grant	(340 000)	(99 000)
	<b>1 988 197</b>	<b>1 571 136</b>

The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

See note 23 for reconciliation of grants from National/Provincial Government.

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

### 16. Consumer deposits

Rental Properties	7 270	4 370
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Consumer deposits comprise deposits for properties rented out by the municipality.

No interest is paid on Consumer Deposits held.

### 17. Reserves

Opening balance	42 572 802	43 620 661
Transfers to/from Accumulated Surplus	(1 047 858)	(1 047 859)
	<b>41 524 944</b>	<b>42 572 802</b>

#### Reserves

Revaluation Reserve	33 567 857	34 615 717
Capital Replacement Reserve	7 957 082	7 957 082
	<b>41 524 939</b>	<b>42 572 799</b>

#### 17.1 Reconciliation of the Capital Replacement Reserve

Revaluation surplus beginning of period	7 957 082	7 957 082
Movements in the reserve for the year	-	-
	<b>7 957 082</b>	<b>7 957 082</b>

The Capital Replacement Reserve arises from cash backed accumulated surplus for the replacement of capital infrastructure/equipment.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>17. Reserves (continued)</b>		
<b>17.2 Reconciliation of Revaluation Reserve</b>		
Revaluation surplus beginning of period	34 615 717	35 663 577
Movements in the reserve for the year	(1 047 860)	(1 047 860)
	<b>33 567 857</b>	<b>34 615 717</b>

The Revaluation Reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Revaluation Reserve that relates to that asset, and is effectively realised, is transferred directly to Accumulated Surplus.

### 18. Accumulated surplus

#### Reconciliation of Accumulated Surplus:

Opening Balance	119 950 530	116 407 940
Correction of prior period error	-	(17 889)
Depreciation Offsets	1 047 680	1 047 860
Movements recognised directly in accumulated surplus	92 623	-
Surplus As Per Financial Performance	14 584 448	2 512 619
	<b>135 675 281</b>	<b>119 950 530</b>

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

### 19. Revenue

Rental of facilities and equipment	314 094	195 237
Other Income	1 125 903	68 151
Actuarial Gains	-	232 309
Interest received - investment	13 826 928	13 344 406
Government grants & subsidies	147 618 245	141 487 870
	<b>162 885 170</b>	<b>155 327 973</b>

#### The amount included in revenue arising from exchanges of goods or services are as follows:

Rental of facilities and equipment	314 094	195 237
Other income	1 125 903	68 151
Actuarial Gains (Losses)	-	232 309
Interest received - investment	13 826 928	13 344 406
	<b>15 266 925</b>	<b>13 840 103</b>

#### The amount included in revenue arising from non-exchange transactions is as follows:

<b>Taxation revenue</b>		
<b>Transfer revenue</b>		
Government grants & subsidies	147 618 245	141 487 870

### 20. Rental of facilities and equipment

#### Premises

Rental of facilities and equipment	314 094	195 237
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# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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<b>20. Rental of facilities and equipment (continued)</b>		
Rental income generated are at market related premiums.		
<b>21. Other revenue</b>		
Other income	1 125 903	68 151
<b>The amounts included in other income are as follows:</b>		
Commission	30 211	28 581
Lecture Hall Hire Charges	31 500	38 900
Recoupment of bursaries from employees	30 668	670
Refund from service providers	626 748	-
Refund from local municipalities	392 177	-
Recovery from employees	14 600	-
	<b>1 125 904</b>	<b>68 151</b>
<b>22. Investment revenue</b>		
<b>Interest revenue</b>		
Bank - Investment account	13 702 524	13 048 460
Bank - Operating account	124 404	295 946
	<b>13 826 928</b>	<b>13 344 406</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 23. Government grants & subsidies

#### Operating grants

National Revenue Fund: Equitable share	139 133 000	136 271 000
National Government: Rural Road Asset Management System Grant (RRAMS)	2 797 933	2 663 916
National Governments: Extended Public Works Programme (EPWP)	1 274 001	959 000
National Governments: Financial Management Grant (FMG)	554 004	703 289
Departmental Agencies and Accounts: SETA	139 307	119 313
Provincial Government	-	771 352
National Government: Energy Efficiency Demand Side Management Grant (EEDSM)	3 720 000	-
	<b>147 618 245</b>	<b>141 487 870</b>

#### Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	8 485 245	5 216 870
Unconditional grants received	139 133 000	136 271 000
	<b>147 618 245</b>	<b>141 487 870</b>

#### 23.1 National Revenue Fund - Fuel Levy & Equitable Share

Balance unspent at beginning of year	1 031 708	1 031 708
Current year receipts	139 133 000	136 271 000
Conditions met - transferred to Revenue	(139 133 000)	(136 271 000)
	<b>1 031 708</b>	<b>1 031 708</b>

This grant has been used to fund operational expenses within the municipality. Included in the Equitable share allocation is the Covid-19 share allocation of R1 469 000 which was received during the 2020/21 FY. The unspent amount is for Covid-19 expenditure.

#### 23.2 Rural Road Asset Management System Grant (RRAMS)

Balance unspent at beginning of year	42 625	73 541
Current-year receipts	2 829 000	2 707 000
Conditions met - transferred to revenue	(2 797 934)	(2 663 916)
Repayment of unspent grant	(43 000)	(74 000)
	<b>30 691</b>	<b>42 625</b>

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to assist the municipality in monitoring the conditions of the municipal roads within the district.

#### 23.3 Provincial Government

Balance unspent at beginning of year	199 686	221 038
Current-year receipts	-	750 000
Conditions met - transferred to revenue	-	(771 352)
	<b>199 686</b>	<b>199 686</b>

Conditions still to be met - remain liabilities (see note 15).

The grants were used for operation and maintenance of clean up amenities, Tourism Grant and HIV/AIDS awareness (AIDS Grant) from provincial government.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 23. Government grants & subsidies (continued)

#### 23.4 Financial Management Grant (FMG)

Balance unspent at beginning of year	296 702	24 991
Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(554 004)	(703 289)
Repayment of unspent grant	(297 000)	(25 000)
	<b>445 698</b>	<b>296 702</b>

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to assist the municipality in building in house capacity, promote and support reform to financial management and implementation of the Municipal Financial Management Act (MFMA) 56 of 2003.

#### 23.5 Expanded Public Works Programme (EPWP)

Balance unspent at beginning of year	415	415
Current-year receipts	1 274 000	959 000
Conditions met - transferred to revenue	(1 274 001)	(959 000)
	<b>414</b>	<b>415</b>

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to expand job creation programs in the Frances Baard District.

#### 23.6 SETA: Skills grant

Current-year receipts	139 307	119 313
Conditions met - transferred to revenue	(139 307)	(119 313)
	-	-

Conditions still to be met - remain liabilities (see note 15).

This grant has been used to fund training within the municipality No funds have been withheld.

#### Energy Efficiency Demand Side Management Grant (EEDSM)

Current-year receipts	4 000 000	-
Conditions met - transferred to revenue	(3 720 000)	-
	<b>280 000</b>	-

Conditions still to be met - remain liabilities (see note 15).

The purpose of the EEDSM Grant is to implement energy efficiency and demand-side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 24. Employee related costs

Basic	50 273 914	48 230 440
Bonus	4 348 384	3 893 308
Medical aid - company contributions	3 060 470	2 660 912
UIF	234 226	227 994
Other payroll levies	17 159	16 012
Leave pay provision charge	157 128	2 579 977
Pension	7 070 015	6 449 223
Overtime payments	209 205	193 981
Long-service awards	305 000	312 000
Car allowance	2 771 991	3 104 141
Housing benefits and allowances	536 634	482 981
Cellular and Telephone	289 528	321 688
Group life insurance	1 390 061	1 159 786
Post retirement benefits movement - Current Service Cost	482 000	446 000
Post retirement benefits movement - Interest cost	2 899 090	2 851 280
	<b>74 044 805</b>	<b>72 929 723</b>

#### 24.1 Remuneration of Municipal Manager - Ms ZM Bogatsu

Annual Remuneration	1 679 227	1 207 239
Car Allowance	192 591	236 932
Performance Bonuses	178 247	63 724
Contributions to UIF, Medical and Pension Funds	2 269	2 262
	<b>2 052 334</b>	<b>1 510 157</b>

#### 24.2 Remuneration of Acting Chief Finance Officer - Ms. O Moseki

Annual Remuneration	1 257 480	1 218 543
Car Allowance	149 040	179 837
Performance Bonuses	66 287	114 199
Contributions to UIF, Medical and Pension Funds	273 050	250 920
	<b>1 745 857</b>	<b>1 763 499</b>

#### 24.3 Remuneration of Acting Director: Planning & Development - Mr F Netshivhodza

Annual Remuneration	1 195 173	1 076 567
Car Allowance	149 040	179 837
Performance Bonuses	43 086	76 133
Contributions to UIF, Medical and Pension Funds	237 097	217 863
Long Service Awards	-	36 322
	<b>1 624 396</b>	<b>1 586 722</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 24. Employee related costs (continued)

#### 24.4 Remuneration of Acting Director: Administration - Mr T Ndlazi

Annual Remuneration	-	117 862
Car Allowance	-	29 973
Contributions to UIF, Medical and Pension Funds	-	31 938
	<b>-</b>	<b>179 773</b>

#### 24.5 Remuneration of Acting Director: Infrastructure Services- Mr R.R Setshogoe

Annual Remuneration	1 037 160	930 313
Car Allowance	120 000	150 797
Performance Bonuses	49 715	81 571
Contributions to UIF, Medical and Pension Funds	208 767	191 878
	<b>1 415 642</b>	<b>1 354 559</b>

#### Total Remuneration of Section 56 Employees

Annual Remuneration	6 838 229	6 394 710
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The total remuneration packages of the municipal manager and managers directly accountable to the municipal manager is paid in line with the upper limits. In addition to the upper limits, they receive a cell phone allowance for the daily operations in line with the approved policy and the performance bonus assessed in line with the Municipal Systems Act.

# Frances Baard District Municipality

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## Notes to the Annual Financial Statements

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### 25. Remuneration of councillors

Executive Mayor	1 084 591	1 040 254
Mayoral Committee Members	4 341 978	3 604 570
Speaker	877 080	842 114
Other Councillors	2 240 486	2 247 892
	<b>8 544 135</b>	<b>7 734 830</b>

#### 25.1 Remuneration Councillors: Reconciliation 2025

	Basic salary	Allowance	Total
Executive Mayor	1 037 587	47 004	1 084 591
Speaker	830 076	47 004	877 080
Mayoral Committee Members	4 106 958	235 020	4 341 978
Other Councillors	2 005 845	234 641	2 240 486
	<b>7 980 466</b>	<b>563 669</b>	<b>8 544 135</b>

#### 25.2 Remuneration Councillors: Reconciliation 2024

	Basic salary	Allowance	Total
Executive Mayor	990 646	49 608	1 040 254
Speaker	792 506	49 608	842 114
Mayoral Committee Members	2 806 824	454 329	3 261 153
MPAC Chaiperson	343 417	-	343 417
Other Councillors	1 982 991	264 901	2 247 892
	<b>6 916 384</b>	<b>818 446</b>	<b>7 734 830</b>

### Additional information

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

### 26. Depreciation and amortisation

Property, plant and equipment	4 419 773	4 016 331
Intangible assets	249 366	969 435
	<b>4 669 139</b>	<b>4 985 766</b>

#### 26.1 Depreciation: Property, Plant and Equipment Reconciliation

Buildings	1 874 060	1 745 372
Other assets	2 545 713	2 270 959
	<b>4 419 773</b>	<b>4 016 331</b>

### 27. Debt impairment

Debt impairment	3 934 679	314 343
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Debt impairment is for debtors which the municipality foresee not collecting its remaining debt on the debtors list.

### 28. Contracted services

Outsourced Services	7 072 122	3 158 313
Consultants and Professional Services	4 391 227	3 593 378
Contractors	7 505 916	5 420 545
<b>Total Contracted Services</b>	<b>18 969 265</b>	<b>12 172 236</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>29. Inventory consumed</b>		
Materials and Supplies	1 139 859	1 144 766
<b>30. Transfer and subsidies paid</b>		
<b>Capital Grants</b>		
Local Municipalities	4 215 902	24 505 801
Non-Profit Institutions	-	-
	<b>4 215 902</b>	<b>24 505 801</b>
<b>Operational Grants</b>		
Local Municipalities	19 724 552	16 754 112
Households	986 311	1 435 956
Non-Profit Institutions	73 350	303 596
	<b>20 784 213</b>	<b>18 493 664</b>
	<b>25 000 115</b>	<b>42 999 465</b>
	-	-
	-	-

The allocations made to non-profit institutions consist of donations made to NGO's.

### 31. Gains and losses on disposal of assets

Property, Plant and Equipment	(679 982)	(9 702)
Disposal of inventory	14 285	-
	<b>(665 697)</b>	<b>(9 702)</b>

The gain/loss on disposal of PPE and inventory is assets/goods which were no longer in use for the municipality and were donated to either local municipalities, schools or NGO's.

### 32. Actuarial Gains/Losses

Actuarial Gains	-	232 309
Actuarial Losses	(901 335)	-
	<b>(901 335)</b>	<b>232 309</b>

The actuarial gains and losses relate to the employee benefit obligations. Refer to employee benefit obligations note 13.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>33. General expenses</b>		
Advertising, Publicity and Marketing	601 963	496 308
External Audit Fees	2 271 521	2 156 627
Bank Charges, Facility and Card Fees	67 034	67 973
Cleaning Services	6 556	10 757
Legal costs	8 170	174
Entertainment	21 020	20 888
Insurance Underwriting	662 033	825 108
Registration Fees	142 125	167 994
External computer service	230 531	590 121
Licences	26 862	21 365
Wet Fuel	1 314	-
Printing, Publications and Books	15 313	11 808
Event Promoters	884 310	197 456
Uniform and Protective Clothing	88 359	53 311
Maintenance of equipment	1 071 020	963 645
Maintenance of buildings and facilities	1 407 383	382 006
Business and Advisory	9 698 088	4 666 021
Security services	1 193 165	1 170 092
Maintenance of computer software	3 438 467	2 804 248
Employee Wellness	215	49 614
Professional Bodies, Membership and Subscription	974 459	1 052 704
Communication	5 192	39 447
Transport and freight	3 173	2 799
Disability Training	565 500	575 239
Travel and Subsistence	1 277 438	1 052 554
Municipal Services	2 532 545	2 260 902
Catering Services	552 872	787 640
Exhibit installations	113 204	472 907
Bursaries (employees)	170 440	237 263
Resettlement costs	82 554	167 906
Transport provided as part of Departmental activities	232 040	220 071
Burial Services	9 600	-
Stage and sound crew	-	164 000
Graphic designers	26 405	7 628
Skills Development Levy	665 848	637 195
Workmen's Compensation Fund	354 239	362 988
	<b>29 400 958</b>	<b>22 696 759</b>

The general expenses have been restated as follows:

	<b>Restated</b>	<b>Previously reported</b>
Registration fees	R167 994	R130 429
Uniform and Protective Clothing	R53 311	R52 938
Maintenance of equipment	R963 645	R909 662
Maintenance of buildings and facilities	R382 006	R394 115
Disability Training	R575 239	R612 804
Catering Services	R787 640	R886 825

### Calculation of Cash Flow:

	29 400 958	22 753 697
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### Travel and subsistence

Accommodation	516 348	465 112
Daily allowance	111 412	158 101

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>33. General expenses (continued)</b>		
Food and beverage (served)	94 500	61 860
Transport without operator	189 919	367 481
Transport with operator	352 023	-
Non-employees	13 234	-
	<b>1 277 436</b>	<b>1 052 554</b>

No other extra-ordinary expenses were incurred.

### 34. Cash generated from operations

Surplus	14 584 448	2 512 619
<b>Adjustments for:</b>		
Depreciation and amortisation	4 669 139	4 985 766
Loss on disposal of assets	665 697	9 702
Debt impairment	3 934 679	314 343
Movements in operating lease assets and accruals	(37 524)	30 480
Contribution to Employee Benefits	8 039 358	5 537 665
Expenditure incurred from Post-retirement Employee Benefits	(2 343 358)	(2 250 665)
Contribution to Long Service Awards Liability	326 970	13 000
Contribution to Provisions - Current	(6 332 267)	(7 105 720)
Contribution to Provisions - Non-Current	12 981	11 911
Expenditure incurred from Employee Benefits - Current	3 395 852	6 105 820
Expenditure incurred from Provisions - Non-current	(13 331)	(13 331)
<b>Changes in working capital (Decrease/Increase):</b>		
Inventories	4 856	(95 714)
Receivables from exchange transactions	1 419 826	1 085 118
Debt Impairment	(3 934 679)	(314 343)
VAT Receivable	378 115	991 849
Current Portion Long-term Receivables	(60 000)	125 000
Payables from exchange transactions	4 597 978	(9 641 965)
Unspent conditional grants and receipts	417 061	219 443
Increase/(Decrease) in Consumer deposits	2 900	(575)
	<b>29 728 701</b>	<b>2 520 403</b>

### 35. Auditors' remuneration

Fees	2 271 521	2 156 627
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# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>36. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Property, plant and equipment	-	-
• Investment property	-	-
	<u>-</u>	<u>-</u>
<b>Not yet contracted for and authorised by accounting officer</b>		
• Property, plant and equipment	4 565 000	315 000
• Investment property	-	4 152 000
• Intangible assets	-	6 250 000
	<u>4 565 000</u>	<u>10 717 000</u>
<b>Total capital commitments</b>		
Already contracted for but not provided for	-	-
Not yet contracted for and authorised by accounting officer	4 565 000	10 717 000
	<u>4 565 000</u>	<u>10 717 000</u>
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	4 565 000	10 717 000

This committed expenditure relates to property, plant and equipment and Intangible assets and will be financed by internally generated funds.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 37. Contingencies

#### 37.1 Contingent liabilities

Case 1 - State Attorney	81 068	81 068
Case 2 - Opinion - Appointed Adv C. Towell	77 533	77 533
	<b>158 601</b>	<b>158 601</b>

Contingent liabilities have been restated as follows:

	Restated	Previously reported
Case 1 - State Attorney	R81 068	R100 000

The municipality was engaged in the following transaction / event during the year under review involving Contingent Liabilities:

#### 2025 Litigation and Claims

##### Case 1

##### State Attorney

##### Damages to infrastructure. filed plea:

MTN claims that they suffered damages as a result of employees of the municipality that were working in a project which led to the damage of their fibre cables.

##### Case 2

##### (i) Opinion. Appointed Adv.C.Towell:

In this matter the Director for Administration filed a high court application requesting the court to review the decision of council to grant her leave without pay for being absent from work without authorization. We are awaiting for the matter to be set down for hearing.

#### 2024 Litigation and Claims

##### Case 1

##### State Attorney

##### Damages to infrastructure. filed plea:

(i) MTN claims that they suffered damages as a result of employees of the municipality that were working in a project which led to the damage of their fibre cables.

##### Case 2

##### (i) Opinion. Appointed Adv.C.Towell:

In this matter the former Director for Administration filed a high court application requesting the court to review the decision of council to grant her leave without pay for being absent from work without authorization. We are awaiting for the matter to be set down for hearing.

#### 37.2 Contingent assets

The municipality was not engaged in any transaction or event during the year under review involving contingent assets.

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 38. Related parties

Relationships

Accounting Officer

Councillors

Members of key management

Refer to accounting officers' report note

Refer to general information

Refer to employee related cost note

All Related Party Transactions are conducted at arm's length, unless stated.

#### 38.1 Services rendered to Related Parties

The municipality did not render any services during the year to anyone that can be considered as a related party.

#### 38.2 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by Frances Baard District Municipality, during the financial year under review.

#### 38.3 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Note 24 and 25, to the Annual Financial Statements.

#### 38.4 Purchases from Related Parties

No transactions were entered into with businesses in which councillors, management and/or those charged with governance have an interest for the 2024/25 financial year.

### 39. Going concern

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of R 135 675 460 and that the municipality's total assets exceed its liabilities by R 177 200 405.

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

The municipality's cash flow forecast for the year to 30 June 2026 has been reviewed and management is satisfied that the municipality can continue in operational existence for the foreseeable future. The accumulated surplus and cash & cash equivalents as at 30 June 2024 was taken into consideration during the review.

### 40. Events after the reporting date

No events having financial implications requiring disclosure occurred subsequent to 30 June 2025:

## Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

### Notes to the Annual Financial Statements

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#### 41. Unauthorised expenditure

Opening balance as previously reported	-	387 874
Add: Unauthorised expenditure - current	-	-
Add: Unauthorised expenditure - prior period	-	-
Less: Amount recovered - current	-	-
Less: Amount recovered - prior period	-	(100 461)
Less: Amount authorised - current	-	-
Less: Amount authorised - prior period	-	(287 413)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

Unauthorised expenditure is presented exclusive of VAT.

#### Unauthorised expenditure awaiting write off/recovery

#### Amount written off

Overspending on depreciation

- 287 413

#### Amount to be recovered

Overspending on Bid: 04/22

- 100 461

# Frances Baard District Municipality

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## Notes to the Annual Financial Statements

Figures in Rand	2025	2024
<b>42. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	138 799	138 799
Add: Fruitless and wasteful expenditure identified - current	44 126	-
Add: Fruitless and wasteful expenditure identified - prior period	-	-
Less: Amount recovered - current	-	-
Less: Amount recovered - prior period	-	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
<b>Closing balance</b>	<b>182 925</b>	<b>138 799</b>

Fruitless and wasteful expenditure is presented exclusive of VAT

Fruitless and Wasteful Expenditure awaiting write off/recovery.

**Frances Baard District Municipality**  
Annual Financial Statements for the year ended 30 June 2025

**Notes to the Annual Financial Statements**

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**42. Fruitless and wasteful expenditure (continued)**

**Amount written-off**

Opening balance 1 207

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-

**43. Irregular expenditure**

Opening balance as previously reported - -  
 Add: Irregular expenditure - current - -  
 Add: Irregular expenditure - prior period - -  
 Less: Amount recovered - current - -  
 Less: Amount recovered - prior period - -  
 Less: Amount written off - current - -  
 Less: Amount written off - prior period - -

**Closing balance**

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# Frances Baard District Municipality

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### 44. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he/she records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

Service	Supplier	Nature		
Testing of water samples	SIMLAB	Emergency/Impractical/Impossible	-	203 859
Calibration and maintenance of polludrone ambient air pollution monitoring system	Envirocon Instruments	Sole supplier	10 925	45 764
Catering: Economic Summit (Net working session)	Julies Malay Kitchen and Photo Shop	Emergency/Impractical/Impossible	-	61 075
Maintenance of lift	Schindler	Emergency/Impractical	72 782	-
Annual maintenance charge of the of the Teammate software licence.	Wolters Kluwer	Sole supplier	21 814	20 716
Anti-virus software	ESET Southern Africa	Sole supplier	58 829	-
Catering: Economic Summit	Thepa Trading 646	Emergency/Impractical/Impossible	-	145 630
Venue: Economic Summit	Amor De Dios	Emergency/Impractical/Impossible	-	160 000
			<b>164 350</b>	<b>637 044</b>

### 45. Financial instruments disclosure

#### Categories of financial instruments

#### 2025

#### Financial assets

	At fair value	At amortised cost	Total
Receivables From Exchange Transactions - Other Services Charges	-	5 660 865	5 660 865
Receivables from Exchange Transactions - Other Debtors	-	368 792	368 792
Investments	-	9 800 000	9 800 000
Cash and cash equivalents - Call Deposits	-	129 463 338	129 463 338
Cash and cash equivalent - Bank Balances	-	10 109 307	10 109 307
Cash and cash equivalents - Cash Floats and Advances	3 299	-	3 299
	<b>3 299</b>	<b>155 402 302</b>	<b>155 405 601</b>

#### Financial liabilities

	At amortised cost	Total
Payables from Exchange Transactions - Trade Creditors	8 118 463	8 118 463

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand 2025 2024

### 45. Financial instruments disclosure (continued)

#### 2024

##### Financial assets

	At fair value	At amortised cost	Total
Receivables From Exchange Transactions - Other Services Charges	-	7 111 356	7 111 356
Receivables from Exchange Transactions - Other Debtors	-	214 451	214 451
Investments	-	10 400 000	10 400 000
Cash and cash equivalents - Call Deposits	-	107 158 607	107 158 607
Cash and cash equivalents - Bank Balances	-	5 937 581	5 937 581
Cash and cash equivalents - Cash Floats and Advances	3 297	-	3 297
	<b>3 297</b>	<b>130 821 995</b>	<b>130 825 292</b>

##### Financial liabilities

	At amortised cost	Total
Payables from Exchange Transactions - Trade Creditors	3 485 802	3 485 802

Receivables From Exchange Transactions - Other Services Charges has been adjusted to reflect the net carrying value of the financial asset at amortised cost.

The following restatements were done:

Restated	Previously Reported
R7 111 356	R7 484 275

No Financial Instruments of the municipality have been reclassified during the year.

##### Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:

##### Level 1:-

Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

##### Level 2:-

Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

##### Level 3:-

Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**Notes to the Annual Financial Statements**

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**45. Financial instruments disclosure (continued)**

**Financial Instruments at Fair Value: 30 June 2025**

	Level 1	Level 2	level 3	Total
Cash and cash equivalents - Cash Floats and Advances	-	3 299	-	3 299
Total Financial Assets	-	3 299	-	3 299
<b>Total Financial Instruments</b>	<b>-</b>	<b>3 299</b>	<b>-</b>	<b>3 299</b>

**Financial Instruments at Fair Value: 30 June 2024**

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents - Cash Floats and Advances	-	3 297	-	3 297
Subtotal	-	3 297	-	3 297
<b>Total Financial Instruments</b>	<b>-</b>	<b>3 297</b>	<b>-</b>	<b>3 297</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

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### 46. Risk management

#### 46.1 Capital Risk Management

##### Gearing Ratio

The gearing ratio is not applicable because the municipality does not have long-term debt.

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#### 46.2 Financial risk management

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department, Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal Audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

#### 46.3 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Liquidity Risk;
- Credit Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

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### 46. Risk management (continued)

#### 46.3.1 Liquidity risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 45.3.4 to the Annual Financial Statements.

#### 46.3.2 Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, consumer debtors, other debtors, bank and cash balances.

#### Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

#### Trade and Other Receivables

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Trade Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The table below shows the balance of the 5 major counterparties at the balance sheet date. Management is of the opinion that, although these parties are the 5 counterparties with highest outstanding balances, no significant credit risk exposure exists based on the payment history of the parties, except for Councillors and Department of Roads and Public Works for which there is uncertainty about the collectivity. Councillors have been included in the Provision for Impairment of Consumer Debtors.

Counterparty and Location	Credit Limit 30 June 2025	Carrying Amount 2025	Credit Limit 30 June 2024	Carrying Amount 2024
Department of Safety & Liaison	-	55 234	-	55 234

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<b>46. Risk management (continued)</b>		
Department of Roads and Public Works	- 8 514 800	- 6 407 654
Phokwane Municipality	- 451 004	- -
Councillors	- 321 094	- 395 065
Officials	- 5 979	- 5 979
Lateral Unison Insurance Brokers (Pty) Ltd	- -	- 12 620
Medical Aid	- 1 871	- 1 871
Railex	- 30 000	- 30 000
MTN	- 27 252	- -
Sedibeng Water (now t/a Vaal Central Water)	- 499 986	- 499 986
Orange Development (Pty) Ltd	- 75 866	- 75 866
	<b>- 9 983 086</b>	<b>- 7 484 275</b>

In the prior year, the Department of Transport was incorrectly disclosed as owing the municipality. The counterparties have been restated as follows:

	Restated	Previously reported
Department of Transport	R0	R6 407 654
Department of Roads and Public Works	R6 407 654	R0

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

### Maximum Credit and Interest Risk Exposure

Receivables from Exchange Transactions	7 502 446	8 922 272
Investments	9 800 000	10 400 000
Bank, Cash and Cash Equivalents	139 575 944	113 099 485
<b>Maximum Credit and Interest Risk Exposure</b>	<b>156 878 390</b>	<b>132 421 757</b>

Credit quality of Financial Assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

### Capital Risk Management

#### 46.3.3 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

#### Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

#### Interest rate risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

## Notes to the Annual Financial Statements

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### 46. Risk management (continued)

Trade Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to credit interest rate risk as the municipality has no borrowings.

The municipality's exposure to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

#### Interest Rate Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 46.3.4 below:

Cash and Cash Equivalents:

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the municipality's:

• Surplus for the year ended 30 June 2025 would have increased by R12,071,829 (30 June 2024: -R5,328,288). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

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### 46. Risk management (continued)

#### 46.3.4 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the municipality, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 46.3.4 is a listing of additional undrawn facilities that the municipality has at its disposal to further reduce liquidity risk (cash).

#### Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Reconciliation	Average effective interest rate	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years
<b>30 June 2025</b>		-	-	-	-	-	-
Non-interest Bearing	0.00%	8 156 310	8 156 310	-	-	-	-
- Payables from Exchange transactions		8 156 310	8 156 310	-	-	-	-
		<b>8 156 310</b>	<b>8 156 310</b>	-	-	-	-
<b>30 June 2024</b>		-	-	-	-	-	-
Non-interest Bearing	0.00%	5 056 938	5 056 938	-	-	-	-
- Payables from Exchange transactions		5 056 938	5 056 938	-	-	-	-
		<b>5 056 938</b>	<b>5 056 938</b>	-	-	-	-

The amounts for bonus and third party payments has been removed amounting to R1,970,556 and R39,183 respectively.

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the municipality anticipates that the cash flow will occur in a different period.

Description	Average effective interest rate	Total	6 months or less	6-12 months	1 - 2 years	2 - 5 years	over 5 years
<b>30 June 2025</b>		-	-	-	-	-	-
Non-interest Bearing	0.00%	7 505 745	7 505 745	-	-	-	-
- Trade Receivables from Exchange Transactions		7 502 446	7 502 446	-	-	-	-
- Cash and Cash Equivalents		3 299	3 299	-	-	-	-
Variable Interest Rate Instruments	8.00%	139 572 645	139 572 645	-	-	-	-
- Call Deposits		129 463 338	129 463 338	-	-	-	-
- Bank Account		10 109 307	10 109 307	-	-	-	-
Fixed Interest Rate Instruments		9 800 000	-	9 800 000	-	-	-

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### 46. Risk management (continued)

- Fixed Deposits	8.2%	9 800 000	-	9 800 000	-	-	-
		<b>156 878 390</b>	<b>147 078 390</b>	<b>9 800 000</b>	-	-	-
<b>30 June 2024</b>		-	-	-	-	-	-
Non-interest Bearing	0.00%	<b>8 943 454</b>	<b>8 943 454</b>	-	-	-	-
- Trade Receivables from		8 940 157	8 940 157	-	-	-	-
Exchange Transactions							
- Cash and Cash		3 297	3 297	-	-	-	-
Equivalents							
Variable Interest Rate	9.60%	<b>113 096 188</b>	<b>113 096 188</b>	-	-	-	-
Instruments							
- Call Deposits		107 158 607	107 158 607	-	-	-	-
- Bank Account		5 937 581	5 937 581	-	-	-	-
Fixed Interest Rate		<b>10 400 000</b>	-	<b>10 400 000</b>	-	-	-
Instruments							
- Fixed Deposits	9.60%	10 400 000	-	10 400 000	-	-	-
		<b>132 513 286</b>	<b>122 113 286</b>	<b>10 400 000</b>	-	-	-

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 47. Additional disclosure in terms of Municipal Finance Management Act

#### 47.1 Contributions to organised local government

Current year subscription / fee	974 459	1 039 551
Amount paid - current year	(974 459)	(1 039 551)
	-	-

The municipality made the above contributions to SALGA.

#### 47.2 Audit fees

Current year subscription / fee	2 271 521	2 156 627
Amount paid - current year	(2 271 521)	(2 156 627)
	-	-

Any unpaid balances are included as part of creditors.

#### 47.3 PAYE, Skills Development Levy and UIF

Opening balance	5 555	5 555
Current year subscription / fee	60 411 734	44 730 506
Amount paid - current year	(60 411 734)	(44 730 506)
	<b>5 555</b>	<b>5 555</b>

Any unpaid balances are included as part of creditors.

#### 47.4 Pension and Medical Aid Deductions

Opening balance	5 928	5 928
Current year subscription / fee	67 308 267	49 615 548
Amount paid - current year	(67 273 597)	(49 615 548)
	<b>40 598</b>	<b>5 928</b>

Any unpaid balances are included as part of creditors.

#### 47.5 VAT

VAT receivable	1 261 963	1 640 078
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Refer to note 6

#### 47.6 Non-compliance with the Municipal Finance Management Act

None

### 48. Multi-employer retirement benefit information

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

# Frances Baard District Municipality

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### 48. Multi-employer retirement benefit information (continued)

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R7,070,015 (2024: R6,449,223) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

#### 48.1 Defined Contribution schemes

The municipality contribute to the Municipal Workers Pension Fund and Cape Retirement Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by the municipality are charged against expenditure on the basis of current service costs. The contribution rate paid by the members (9%) and the municipalities (18%) is sufficient to fund the benefits accruing from the fund in the future.

### 49. In-kind donations and assistance

Mr. G Botha served on the audit committee for the 2024/25 financial year, he is a government employee and therefore is not entitled to receive any compensation for duties performed as a member of the audit committee.

### 50. Private Public Partnerships

The municipality was not a party to any Private Public Partnerships during the year under review.

### 51. Awards to close family members of persons in the service of the state

In terms of section 45(1) of the Municipal Supply Chain Management Policy approved by the Council, the accounting officer must ensure that particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous five years, must be disclosed in the notes to the Annual Financial Statements.

The following awards to close family members of persons in the service of the state in terms of the municipality's Supply Chain Management Policy and declared on MBD 4 were made:

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<b>51. Awards to close family members of persons in the service of the state (continued)</b>			
<b>Supplier</b>	<b>Capacity</b>		
Ultimate Health and Hygiene Solutions	Owner was employed by the NC Department of Education. Resigned in September 2024	66 150	-
TJM Greentech	Spouse of director is employed by the Dept. of Education	13 000 000	-
Mosima IT Solutions	DR. T.C. Motaung - Spouse Department of Health Medical Officer	5 263 684	-
Breezehost	DR. T.C. Motaung - Spouse Department of Health Medical Officer	440 623	-
Nkadivho Development Consultant Bid01/23	Dept. Of Home Affairs - Spouse is an administration officer	-	350 000
Cash asset trading	Dept. of Sports arts and Culture - Wife work as assistant librarian	-	390 488
		<b>18 770 457</b>	<b>740 488</b>

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### 52. Segment information

#### General information

##### Identification of segments

For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide. The municipality has seven primary reportable segments:

- Executive and Council: Consists of Executive Mayor and Council, and the Office of The Municipal Manager.
- Finance and Administration: Consists of Finance, and Administration.
- Internal Audit: Consists of Internal Audit Services.
- Community and Social Services: Consist of Fire-fighting and Disaster Services.
- Housing: Consists of Housing Services.
- Environmental Protection: Consists of Environmental Health and Development Services.
- Planning and Development: Consists of Project and Advisory Services and, Planning and Development Services.

No individually material operating segments have been aggregated to form the above reportable operating segments.

The municipality operates within the following local geographical area:

Dikgatlong Local Municipality  
Magareng Local Municipality  
Phokwane Local Municipality  
Sol Plaatje Municipality

The municipality does however not monitor operating results for these geographical segments, and operational results are only monitored within the business units as previously disclosed.

## Frances Baard District Municipality

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#### 52. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Protection	Planning and Development	Total
<b>Revenue</b>								
Revenue from non-exchange transactions	-	-	-	-	-	-	-	-
Transfers and subsidies	-	139 826 311	-	-	-	-	7 791 934	147 618 245
<b>Revenue from exchange transactions</b>								
Other Revenue	-	1 125 903	-	-	-	-	-	1 125 903
Rental of facilities and equipment	-	314 094	-	-	-	-	-	314 094
Interest, Dividends and Rent on Land Earned	-	13 826 928	-	-	-	-	-	13 826 928
<b>Total segment revenue</b>	-	<b>155 093 236</b>	-	-	-	-	<b>7 791 934</b>	<b>162 885 170</b>
<b>Entity's revenue</b>								<b>162 885 170</b>
<b>Expenditure</b>								
Employee related costs	8 536 784	31 501 768	1 945 505	5 492 814	2 380 738	7 061 580	17 125 611	74 044 800
Remuneration of councillors	8 544 134	-	-	-	-	-	-	8 544 134
Depreciation and amortisation	134 716	3 569 694	244 144	383 946	34 275	64 118	238 244	4 669 137
Debt Impairment	3 934 679	-	-	-	-	-	-	3 934 679
Interest, Dividends and Rent on Land	-	-	-	-	-	-	-	-
General expenses	3 116 268	11 825 576	307 831	1 416 659	797 841	212 810	11 723 968	29 400 953
Inventory consumed	58 812	995 274	3 940	11 595	9 284	12 495	48 458	1 139 858
Transfers and subsidies paid	73 350	-	-	-	-	-	24 926 765	25 000 115
Operational costs	-	-	-	-	-	-	-	-
Loss on disposal of Property, Plant and Equipment	4 546	89 499	3	568 361	2 620	141	527	665 697
Actuarial Losses	-	901 335	-	-	-	-	-	901 335
<b>Total segment expenditure</b>	<b>24 403 289</b>	<b>48 883 146</b>	<b>2 501 423</b>	<b>7 873 375</b>	<b>3 224 758</b>	<b>7 351 144</b>	<b>54 063 573</b>	<b>148 300 708</b>
<b>Total segmental surplus/(deficit)</b>	<b>(24 403 289)</b>	<b>106 210 090</b>	<b>(2 501 423)</b>	<b>(7 873 375)</b>	<b>(3 224 758)</b>	<b>(7 351 144)</b>	<b>(46 271 639)</b>	<b>14 584 462</b>

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**52. Segment information (continued)**

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Protection	Planning and Development	Total
<b>Assets</b>								
Intangible Assets	-	711 501	-	-	-	-	-	711 501
Property Plant and Equipment	93 486	66 373 399	19 904	1 532 394	19 904	89 225	199 797	68 328 109
Heritage Assets	-	631 417	-	-	-	-	-	631 417
Operating lease receivable	-	46 327	-	-	-	-	-	46 327
Long-Term Receivables	-	6 305 999	-	-	-	-	-	6 305 999
Statutory	-	389 000	-	-	-	-	-	389 000
Inventories	-	330 350	-	-	-	-	-	330 350
Receivables from exchange transactions	-	7 502 446	-	-	-	-	-	7 502 446
Investments	-	9 800 000	-	-	-	-	-	9 800 000
Vat Receivable	-	1 261 963	-	-	-	-	-	1 261 963
Current Portion Long-Term Receivables	-	671 000	-	-	-	-	-	671 000
Cash and Cash equivalents	-	139 575 942	-	-	-	-	-	139 575 942
<b>Total segment assets</b>	<b>93 486</b>	<b>233 599 344</b>	<b>19 904</b>	<b>1 532 394</b>	<b>19 904</b>	<b>89 225</b>	<b>199 797</b>	<b>235 554 054</b>
<b>Total assets as per Statement of financial Position</b>								<b>235 554 054</b>
<b>Liabilities</b>								
Payables from exchange transactions	-	10 128 203	-	-	-	-	-	10 128 203
Consumer deposits	-	7 270	-	-	-	-	-	7 270
Employee benefit obligation	-	13 480 974	-	-	-	-	-	13 480 974
Unspent conditional grants and receipts	-	1 988 197	-	-	-	-	-	1 988 197
Employee benefit obligation	-	32 749 010	-	-	-	-	-	32 749 010
<b>Total segment liabilities</b>	<b>-</b>	<b>58 353 654</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58 353 654</b>
<b>Total liabilities as per Statement of financial Position</b>								<b>58 353 654</b>

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**52. Segment information (continued)**

2024

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Health	Planning and Development	Total
<b>Revenue</b>								
Revenue from non-exchange transactions	-	-	-	-	-	-	-	-
Transfers and subsidies	279 880	137 093 602	-	-	-	-	4 114 388	141 487 870
<b>Revenue from exchange transactions</b>								
Other Income	-	68 151	-	-	-	-	-	68 151
Rental from Fixed Assets	-	195 237	-	-	-	-	-	195 237
Interest, Dividends and Rent on Land Earned	-	13 344 406	-	-	-	-	-	13 344 406
Actuarial Gains	-	232 309	-	-	-	-	-	232 309
<b>Total segment revenue</b>	<b>279 880</b>	<b>150 933 705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 114 388</b>	<b>155 327 973</b>
<b>Entity's revenue</b>	<b>155 327 973</b>							
<b>Expenditure</b>								
Employee related costs	14 273 673	27 135 468	1 272 129	5 277 853	2 957 582	6 341 902	15 671 117	72 929 724
Remuneration of councillors	7 734 830	-	-	-	-	-	-	7 734 830
Depreciation and amortisation	346 537	3 892 781	6 671	380 682	18 348	64 944	275 804	4 985 767
Debt Impairment	314 343	-	-	-	-	-	-	314 343
Interest, Dividends and Rent on Land	-	-	-	-	-	-	-	-
Contracted services	940 500	4 136 036	60 437	1 556 890	423 550	584 812	4 499 551	12 201 776
Inventory consumed	159 546	883 228	7 080	4 969	8 137	17 642	36 410	1 117 012
Transfer and subsidies paid	274 460	3 716 647	-	1 258 600	-	3 824 109	33 896 513	42 970 329
Operational costs	2 501 404	6 706 239	113 905	128 330	50 493	145 319	906 153	10 551 843
Loss on disposal of Property, Plant and Equipment	578	5 538	563	29	5	2 538	452	9 703
<b>Total segment expenditure</b>	<b>26 545 871</b>	<b>46 475 937</b>	<b>1 460 785</b>	<b>8 607 353</b>	<b>3 458 115</b>	<b>10 981 266</b>	<b>55 286 000</b>	<b>152 815 327</b>
<b>Total segmental surplus/(deficit)</b>	<b>(26 265 991)</b>	<b>104 457 768</b>	<b>(1 460 785)</b>	<b>(8 607 353)</b>	<b>(3 458 115)</b>	<b>(10 981 266)</b>	<b>(51 171 612)</b>	<b>2 512 646</b>

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	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Health	Planning and Development	Total
<b>52. Segment information (continued)</b>								
<b>Assets</b>								
Intangible Assets	15 598	716 395	4 017	52	-	-	3 187	739 249
Property Plant and Equipment	70 760	66 211 745	15 220	3 377 965	91 659	138 179	469 145	70 374 673
Heritage Assets	-	631 417	-	-	-	-	-	631 417
Long-Term Receivables	-	5 728 000	-	-	-	-	-	5 728 000
Operating Lease	-	8 804	-	-	-	-	-	8 804
Cash and cash equivalent	-	113 099 485	-	-	-	-	-	113 099 485
Investment	-	10 400 000	-	-	-	-	-	10 400 000
Current portion Long-Term Receivables	-	611 000	-	-	-	-	-	611 000
Inventory	-	335 206	-	-	-	-	-	335 206
Statutory Receivables	-	389 000	-	-	-	-	-	389 000
Vat Receivables	-	1 640 078	-	-	-	-	-	1 640 078
Receivables from exchange transactions	-	8 922 272	-	-	-	-	-	8 922 272
<b>Total segment assets</b>	<b>86 358</b>	<b>208 693 402</b>	<b>19 237</b>	<b>3 378 017</b>	<b>91 659</b>	<b>138 179</b>	<b>472 332</b>	<b>212 879 184</b>
<b>Total assets as per Statement of financial Position</b>								<b>212 879 184</b>
<b>Liabilities</b>								
Payables from exchange transactions	-	5 530 222	-	-	-	-	-	5 530 222
consumers deposits	-	4 370	-	-	-	-	-	4 370
Employee benefit obligation	-	13 396 888	-	-	-	-	-	13 396 888
Unspent conditional grant and receipts	-	1 571 136	-	-	-	-	-	1 571 136
Employee benefit obligation	-	29 853 233	-	-	-	-	-	29 853 233
<b>Total segment liabilities</b>	<b>-</b>	<b>50 355 849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50 355 849</b>
<b>Total liabilities as per Statement of financial Position</b>								<b>50 355 849</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

### 52. Segment information (continued)

### 53. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net surplus per the statement of financial performance 14 584 448      2 512 619

<b>Revenue from Non-exchange Transactions</b>			
Transfer and Subsidies			
<b>Revenue Exchange Transactions</b>			
Other Income	1 045 903	(3 301 755)	(3 724 130)
Rental from Fixed Assets	223 094		(51 849)
Interest, Dividends and Rent on Land Earned	4 226 928		(54 763)
Gains on Disposal of Property, Plant and Equipment			6 778 050
Actuarial Gains			-
<b>Expenditure</b>			232 309
Employee Related Cost	15 759 195		13 121 277
Remuneration of Councillors	179 865		2 486 170
Depreciation and Amortisation	1 693 861		922 234
Impairment Losses	(3 914 679)		95 657
Inventory Consumed	1 220 141		534 036
Grants and Subsidies	2 862 885		756 671
Operational Costs	17 599 042		18 903 303
Loss on Disposal of Property, Plant and Equipment			12 298
Fair Value Gains/Losses			1 413 000
	<b>37 594 480</b>		<b>41 424 263</b>

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

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### 54. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Loss on sale/ disposal of property, plant and equipment	(679 982)	(9 702)
Loss on disposal of inventory	14 285	-
Amortisation on intangible assets	249 366	969 435
Depreciation on property, plant and equipment	4 419 773	4 016 331
Employee costs	82 588 940	80 664 553

### 55. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments. The prior period error was mainly necessitated by unadjusted prior period errors identified by management and the auditors during the 2023/24 audit.

#### Statement of financial position

##### 2024

	Note	As previously reported	Correction of error	Re-classification	Restated
<b>Current Assets</b>		-	-	-	-
Receivables from exchange transactions	3	9 013 801	(73 644)	(17 885)	8 922 272
<b>Net Assets</b>		-	-	-	-
Accumulated surplus	18	120 042 062	(73 644)	(17 885)	119 950 533
		-	-	-	-
		-	-	-	-

#### Statement of financial performance

##### 2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Investment revenue	22	13 418 050	(73 644)	-	13 344 406
Inventory consumed	29	(1 116 964)	-	(27 802)	(1 144 766)
Transfers and subsidies	30	(42 970 329)	-	(29 136)	(42 999 465)
General expenses	33	(22 753 697)	-	56 938	(22 696 759)
Surplus for the year		2 586 263	(73 644)	-	2 512 619

# Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

Figures in Rand

2025

2024

### 55. Prior-year adjustments (continued)

#### Errors

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The following prior period errors adjustments occurred:

#### **Receivables from exchange transactions:**

Restated due to the correction of Other Debtors closing balance and correction of the Service Debtors opening balance

#### **Accumulated surplus:**

Restated as a result of realising a decrease in Surplus for the year and correction of the Service Debtors opening balances

#### **Investment revenue:**

Restated due to the reversal of investment revenue that was incorrectly recognised in the prior period.

#### **Inventory consumed:**

Restated due to correction of reclassified expenditure to the correct nature in the prior period.

#### **Transfers and subsidies:**

Restated due to correction of reclassified expenditure to the correct nature in the prior period.

#### **General expenses:**

Restated due to correction of reclassified expenditure to the correct nature in the prior period.

#### **Surplus for the year:**

Restated as a result of correction of investment revenue that was overstated in the prior period.



