

DRAFT ANNUAL REPORT



2023/24 FINANCIAL YEAR

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## SECTION A

### 1.1 EXECUTIVE MAYOR'S FOREWORD

Section 121 of Local Government Municipal Finance Management Act, 56 of 2003 provides that every municipality and municipal entity must for each financial year prepare an annual report. Furthermore, Local Government: Municipal Systems Act, 32 of 2000, Section 46 (1) and (2) stipulates that municipalities must prepare the performance report for each year that reflect the municipality and each service provider's performance during the financial year. The 2023/24 Annual Report of Polokwane Municipality is prepared in line with the provisions of section 46 of the Municipal Systems Act and MFMA section 121 as stated above.

It is worth noting that during the 2023/24 financial year, Statistics South Africa released the 2022 census results. Accordingly, the population of Polokwane has grown from 532 670 in 1996 to 843 459 in 2022. We acknowledged that this growth must not be negatively construed as presenting threats. Instead, with every phenomenon comes not only challenges but also opportunities. The Census results of 2022 revealed that 87.2 percent of our residents have access to electricity, 90.4 percent have access to some form of housing and 72 percent have access to water. This service delivery progress highlights our resolve to achieve universal access to all basic services by our communities.

Our core business as a municipality is the provision of sustainable service delivery to our communities. In that regard, water provision remains a challenge. However, the three-pronged interventions that we have put in place to address our water deficit in the short-term, medium to long-term are yielding positive progress. We are pleased to announce that during the 2023/24 financial year, the Seshego Water Treatment Works testing was completed in March 2023. The 4<sup>th</sup> Industrial Revolution powered plant is now supplying water to Seshego reservoir, benefiting Seshego and surrounding areas. The treatment plant provides additional 10 Ml/day to the Seshego reservoir.

With regard to energy provision and public lighting, the municipality continued to experience challenges with public lighting due to theft and vandalism of our electrical infrastructure in 2023/24. As a result, most of our areas are dark and there's an need for urgent interventions to correct this challenge. The municipality has a program of action executed by a dedicated team under a newly appointed director to address this challenge and progress is being noted, however it's not satisfactory.

With regards to Roads and Storm water in the 2023/2024 financial year, the Municipality focussed on upgrading from gravel to surfacing and paving of strategic roads in various clusters. Roads projects are being implemented in all clusters in line with our ward-based budgeting and planning. As a result, all the 45 wards benefited in the upgrading of the roads. We have also taken into cognizance areas prone to flash and localised floods during rainy seasons by addressing the storm-water challenges through a phase-in approach.

On human settlements and housing provision, the Department of Cooperative Governance, Human Settlement and Traditional Affairs accorded Polokwane Municipality the Level Two Housing Accreditation status on 01 February 2024. The signing of the Implementation Protocol (IP), which is an agreement that formalizes the delegation of Housing functions to the Municipality, elevated us from level 1 to level 2 housing accreditation. The implementation of the Housing function will start in the 2024/25 financial year.

The Municipality remains committed to the significant reduction of our waste collection backlogs, especially in rural areas. Accordingly, in 2023/24 we have embarked on a programme to construct rural transfer stations and lessen the distance between the serviced areas and the main landfill site. Furthermore, we have obtained the operating license for the extension of the Weltevreden landfill site from LEDET to construct additional cells which will commence in the next financial year.

Section 152 of the Constitution of South Africa compels us to protect our environment. Further, the effects of climate change in South Africa which results in increased carbon dioxide emissions into the atmosphere can no longer be ignored. In 2023/24 financial year, the Municipality managed to plant 12000 trees. In September 2023, the Municipality was awarded the National Arbor City Award winner for being the best in the country in tree planting and open space management. In February 2024, the Municipality again won both the District and the Provincial Greenest Municipal Competition.

To improve the efficiency of our governance system, in October 2023 council approved the implementation of the Separation of Powers Governance Model. We have established the Legislative Arm of Council comprising of new Portfolio Committees chaired by non-executive Councillors. These Committees play oversight on the work of the Members of the Mayoral Committee and the Administration, thereby promoting accountability and efficiency. The Committees also promote public participation in the affairs of the Municipality and spearhead our legislative function. Our governance structures were functional in the 2023/24 and they were able to discharge its responsibilities. Furthermore, the municipality was able to retain the Unqualified Audit Opinion in the 2023/24 financial year. The municipality is on the right track to achieve its goal of obtaining a Clean Audit.

**CLLR JOHN MPE**

**EXECUTIVE MAYOR**

## **1.2 MUNICIPAL MANAGER'S OVERVIEW**

Section 121 (1) of Local Government Municipal Finance Management Act, 56 of 2003 requires municipalities to prepare annual reports for each financial year. Furthermore, section 46 (1) of the Local Government Municipal Systems Act, 32 of 2000 requires the municipality to prepare the annual performance report. The Municipal Finance Management Act stipulates what the annual report of the municipality should include in section 121 (3). The 2023/24 Annual Report of Polokwane Municipality is compiled in line with the legislated requirements as stated above. Furthermore, this overview is presented and based on the 2023/24 Audited Annual Performance Report and Audited Financial Statements.

Polokwane Municipality approved the 2023/24 Integrated Development Plan and tabled Budget in May 2023. The implementation period for these two planning documents, were 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024. The Integrated Development Plan spells out the developmental mandate of the municipality, objectives and priorities. The Tabled Budget fulfilled the funding commitments to ensure that the developmental mandate, objectives and priorities are achieved.

This 2023/24 Annual Performance Report outlines the performance of the municipality as part of achieving the developmental mandate, municipal objectives and priorities set in the Integrated Development Plan (IDP). It reflects comparison of performance with targets set for the year under review and performances in the previous financial year.

During the financial year 2023/24, the municipality was able to extend provision of services to 1277 household on electricity provision. A further 1705 VIP sanitation structures were completed in the 2023/24 and further access to 3109 households received water provision. Our extension of rural waste management programme experienced delay in the completion of rural transfer stations as a result we did not achieve our target of extending the services to 8 new rural areas. The rural transfer stations will be completed in the 2024/25 financial year. As much as a proud of our service delivery achievements, we experienced challenges on key service delivery areas. Water provision is still challenge as some areas are not receiving water regularly. This is caused by the high demand for water against the available supply. Furthermore, water supply challenges were caused by operational challenges that the municipality is addressing with the recruitment of key personnel and deployment of resources. We are also experiencing Energy challenges in the licensed area of the municipality. The main challenge being the theft and vandalism of electrical infrastructure. The impact of this challenge is streetlights that are not working. The municipality is attending to this challenge through the deployment of key personnel and implementing alternative energy technological infrastructure that are not prong to theft and vandalism.

On financial viability and management, the municipality was able to fulfil its financial obligations in the 2023/24 financial year. The Municipality does not owe power utilities and always pays Lepelle Northern Water and Eskom on time monthly.

Good corporate governance remains a key aspect of this administration and as such management structures were functional in the 2023/24 financial year. Executive Management was meeting every Monday to process management and council issues. Extended Management meetings were held monthly to process management decisions. Furthermore, management oversight component of the municipal was functional and effective. A special mention of the Performance Audit and Audit Committee for your advice and guidance during the 2023/24.

As we conclude, we appreciate our employees and the political component for their contribution towards achieving the set targets in the 2023/24 financial year. We commit to double our efforts and improve our performance in the 2024/25 financial year.

**MS. THUSO NEMUGUMONI**

**MUNICIPAL MANAGER**

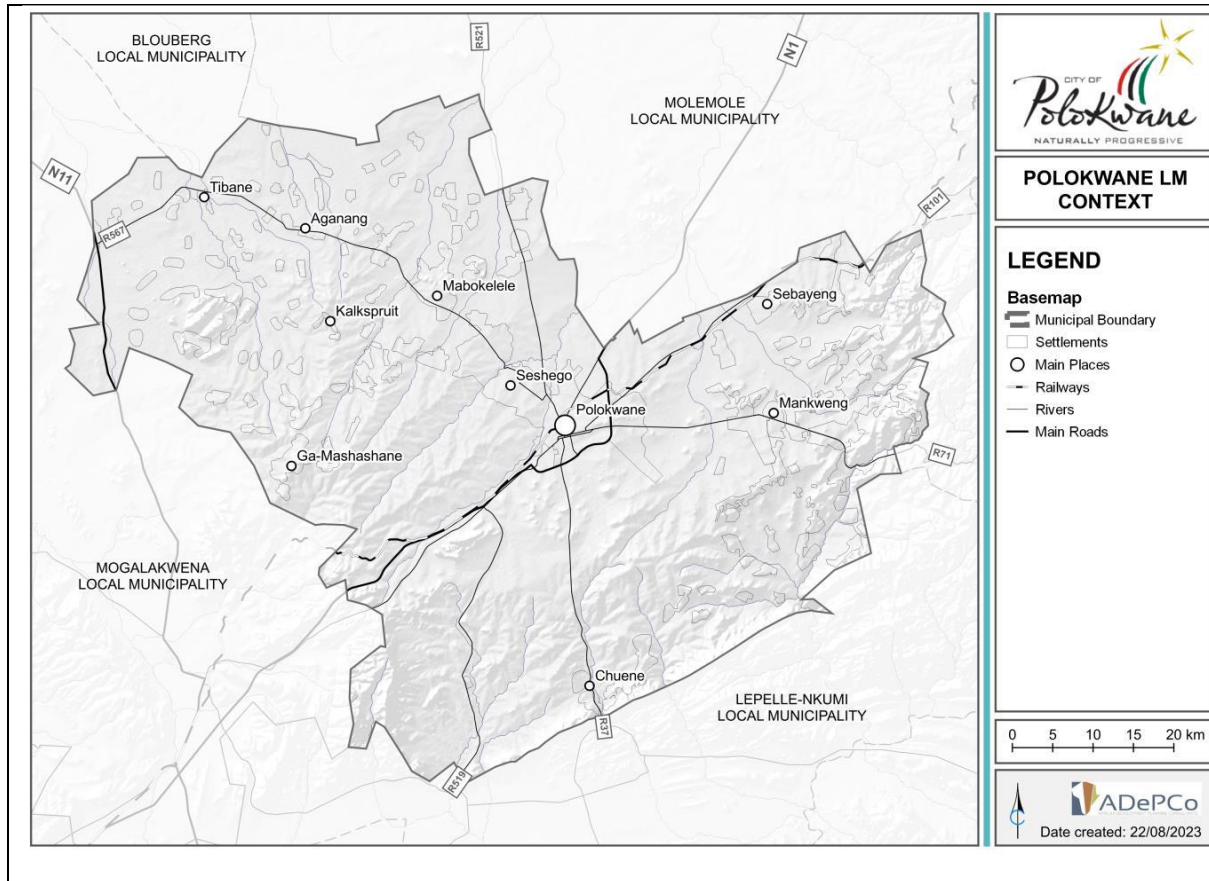


### **1.3 Profile of Polokwane Municipality**

**Polokwane** meaning "Place of Safety" in Sotho, is a City and also the Capital City of the Limpopo Province, Polokwane is South Africa's largest urban centre north of Gauteng. The City of Polokwane is situated in the central region of the Limpopo Province, which is the northern province in South Africa. Polokwane is a part of the Capricorn District Municipality, which includes other local municipalities such as Blouberg, Molemole, and Lepelle Nkumpi. The geographical boundaries of Polokwane are as follows:

- To the north, Polokwane shares boundaries with Blouberg and Molemole local municipalities.
- To the south, it borders the Lepelle Nkumpi local municipality.
- On the west, it is adjacent to the Mokgalakwena Local Municipality, a part of the Waterberg District Municipality.
- On the east, it shares borders with the Greater Tzaneen Local Municipality, which is a part of the Mopani District Municipality.

#### **City of Polokwane boundaries Map**



Source: City of Polokwane New SDF (2024)

Within the Limpopo region, the city of Polokwane, plays a pivotal role. Positioned along the N1 National Road and at the convergence point of significant road networks, Polokwane boasts exceptional accessibility and connectivity to the wider area.

in 2016, a portion of the former Aganang local municipal area was incorporated into the City of Polokwane. This affected area of Aganang was located northwest of Polokwane and bordered it. This incorporation divided Aganang into two parts, with the southern section, covering approximately **104,000 hectares**, becoming a part of Polokwane.

Consequently, the land area of Polokwane expanded from around **374,000 hectares** to approximately **505,000 hectares**, constituting an increase of about **38%**. In terms of its physical composition, the City of Polokwane is now **35% urbanised and 65% still rural**

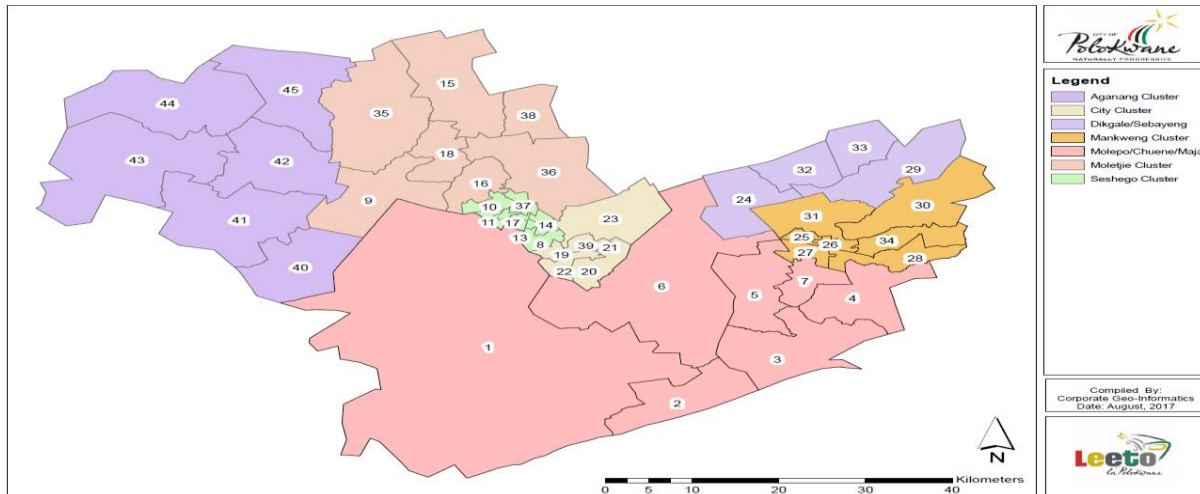
City of Polokwane is the economic hub of Limpopo Province and is strategically located to be the administrative and economic capital of the province. It is situated at the crossroads of important national and provincial roads which radiate out into the hinterland providing good access to other towns. There is a definite opportunity for Polokwane to become a logistics hub and freight interchange within the region, also given its proximity to the neighbouring countries of **Botswana, Zimbabwe, Mozambique and Swaziland**. Three of the four Spatial Development Initiatives pass through Polokwane, which repeat the City's strategic location and its importance as far as the economy of the province is concerned.

Situated on the outskirts in several clusters are less formal settlement areas which are experiencing enormous influx from rural urban migration trends. These areas are in dire need of upgraded services and infrastructure, both social and engineering, and are struggling to cope with the informal influx of more people who want access to an improved quality and standard of living. Polokwane municipality is made up of Forty-Five (**45**) wards. The 45 wards constitute 7 clusters and clusters are listed below:

1. City
2. Seshego
3. Mankweng

4. Sebayeng/Dikgale
5. Molepo/ Chuene/ Maja
6. Moletjie
7. Aganang

Map of Polokwane Municipality depicting the 45 wards



Source: Polokwane Municipality: Geo-Informatics 2022.

#### Brief Spatial Description of the 7 Clusters

- **Seshego:** located west of the CBD. It is nearest to the economic core of all settlement areas and thus has the best access to the formal economy of Polokwane.
- **Mankweng:** located 30km to the east of the city. It constitutes a large area and is mixed formal and informal. It accommodates the University of Limpopo and is a long-established settlement area.
- **Sebayeng:** located 30 km to the north-east of the city centre and is less formal and newer than Mankweng. The area is experiencing influx and is growing at a rapid rate.
- **Maja:** is located 20km to the south and comprises an informal settlement area, with very limited services and infrastructure. The settlement area sits on the fringe of the rural hinterland and is hence surrounded by a vast clustering of rural / semi-rural areas.
- **Moletjie:** It is about 32 km northeast of City of Polokwane and comprises an informal settlement area, with very limited services and infrastructure. The settlement area sits on the fringe of the rural hinterland and is hence surrounded by a vast clustering of rural / semi-rural areas.
- **Aganang:** is situated 45 km west of Polokwane. It is a rural Cluster and has 4 Traditional Authorities namely Moletji, Matlala, Maraba and Mashashane. The area has been incorporated into Polokwane Local Municipality and is now serving as the seventh cluster area for Polokwane. The area is purely rural and has no township; it has potential in Agriculture and Tourism.

#### 1.4 Powers and Function of Polokwane Municipality

In terms of the Constitution, Municipal Structures Act and other policy frameworks Polokwane Municipality is responsible for the following functions:

<ul style="list-style-type: none"> <li>▪ Water and Sanitation (Both portable and bulk supply system and domestic)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cemeteries</li> <li>▪ Cleansing</li> </ul>
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<p>wastewater and sewage disposal system)</p> <ul style="list-style-type: none"> <li>▪ Air Pollution</li> <li>▪ Building regulations</li> <li>▪ Childcare facilities</li> <li>▪ Electricity and Alternative energy</li> <li>▪ Firefighting services</li> <li>▪ Municipal planning</li> <li>▪ Municipal public works</li> <li>▪ Storm water management</li> <li>▪ Trading regulations</li> <li>▪ Billboards and the display of advertisements in public places</li> </ul>	<ul style="list-style-type: none"> <li>▪ Control of public nuisances</li> <li>▪ Local sport facilities</li> <li>▪ Municipal parks and recreation</li> <li>▪ Roads</li> <li>▪ Noise pollution</li> <li>▪ Pounds</li> <li>▪ Public places</li> <li>▪ Waste Management (refuse removal, refuse dumps and solid waste disposal)</li> <li>▪ Street trading</li> <li>▪ Street lighting</li> <li>▪ Traffic and parking</li> </ul>
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### 1.5 Vision, Mission & Values

The Municipality undertook an interactive process as part of ensuring that the current Vision, Mission and Values for the City of Polokwane are reviewed and refined in line with the Key Themes of becoming as Smart City.

The **Vision, Mission and Values** for the City of Polokwane are as follows:



#### ➤ Meaning of each value

## Transparency

- Being open and honest
- Being accountable to our stakeholders
- Providing truthful and accurate information

## Respectfulness

- Being courteous and polite

## Integrity

- Being fair, righteous and consistent
- Doing the RIGHT things in a reliable way

## Responsiveness

- Reacting quickly and positively to the needs of the community

## Loyalty (to the Municipality and the Community)

- Being faithful to our Municipality
- Adherence to legislation and policies

## Professionalism

- Displaying excellence and competence

## Approachable

- Being available, friendly and caring

## Adaptable

- Willing to change with circumstances
- Respectful to others' view and belief systems

### ➤ Meaning of Color of Stars



### RED (Dynamic)

Red implies the energetic and dynamic mindset of both Polokwane people and the city towards Mutual goal achievement.

### Black (stability)

Black implies confidence, stability and structure that the city rests and relies upon.

### Green (Growth)

Green signifies the commitment the city displays towards its environment and preserving such also, the natural magnificence it has to offer.

## The star

The star represents Polokwane as a city of realizing dreams under its perfect and pure, uninhibited clear African sky rarely found in other capital cities. Its people are focused, clear minded, fresh and innovative. All as one are reaching for the stars and looking ahead and all are looking to build their futures and those of their city.

### ➤ 15 Meter Bronze Sculpture

Meaning of words on the sculpture erected at the Nelson Mandela Traffic Circle at N1 entrance:

- ❖ **Progress** ..... Polokwane is a Municipality which is developing and growing.
- ❖ **Unity** ..... The community and the municipality are united.
- ❖ **Equity** ..... There is balance and people's rights are respected.
- ❖ **Prosperity** ..... We are prospering as a province and also as a municipality.

**Sculpture erected at the Nelson Mandela Traffic Circle at N1 entrance.**



### 1.6 Vision 2030 –Smart City

The City of Polokwane has developed its long-term strategy for the next term and beyond through VISION 2030. This strategy is pegged against a long-term growth path to transform the municipality into a bustling and sustainable entity that distinguishes the Municipality as a City of stars leading in innovation through the **SMART CITY** concept.

Embedded in this strategic positioning is the need to continue on the foundation that best fits the municipal ability to deliver on its strategy and mandate. The process of planning towards 2030 has already been started from 2013/14 Financial year. Council has adopted Polokwane 20 Year Economic Growth and Development Plan (EGDP).

The main objective of the EGDP is to assist the City of Polokwane to achieve real and sustainable economic growth and development, as well as transforming and aligning the City to become a Smart City within the next 20 years. It is therefore vital that this plan set out very specific goals and implementable projects to attain the City's vision.

**Smart City'** concept is a forward-looking plan into, **Economy, People, Governance, Mobility, Environment and Space.**

The plan has identified **4 Main clusters** that will guide the Municipality in realizing the vision:

1. **Economic Cluster**
2. **Physical Cluster**
3. **Social Cluster**
4. **Institutional Cluster**

The four clusters influence one another and failure to promote growth and development in one, would lead to failure in another. Integrative interventions would furthermore ensure that holistic planning takes place.

The EDGP has identified the **pillars** which should guide the Municipality to work towards achieving the realization of the Vision. All the planning within the Municipality should be guided by what the pillars want to achieve i.e.

- Smart Economy.
- Smart Environment.
- Smart Governance.
- Smart Living.
- Smart Mobility; and
- Smart People.

**Figure: Below is a diagram representing the above-mentioned Pillars**



**Source: Polokwane EDGP**

The description of each pillar is as follows:

**“Smart Economy”** refers to an economy that, through the use and integration of various Technological systems and devices, performs well in the market comparative to similar cities, is forward thinking by embracing new technologies and systems of operation and is sustainable in the long run by continually growing and adapting to the circumstances surrounding it.

**“Smart Environment”** refers to the effective and efficient use of the surroundings of the city, in both an Urban and “green/environmental” context, such as the landscape and unique geological aspects of the city as well as operating the city in an environmentally friendly manner by using resources as efficiently as possible and providing green spaces and Control of air Pollution by industries.

**“Smart Governance/Administration”** refers to the relationship between government and the citizens of city, being interactive through technological systems implemented by government and private enterprises along with the innovative means of governments to communicating with the citizens through systems such as e-governance/e-democracy, keeping them informed and involved with processes, decisions and systems available to them.

**“Smart Living”** refers to the quality of life for city inhabitants through the provision of essential services along with additional systems that make the city more livable. This also affects a city’s desirability and creates an environment that is conducive to attracting the citizens and investment that the city needs in order to prosper.

**“Smart Mobility”** refers to technologically advanced systems integrated with existing or new transport systems in and around the city affecting the transport and logistics. These systems could typically keep citizens informed about transport related issues and in so doing keep the city system functioning as smooth as possible.

**“Smart People”** refers to a citizenship of a city being well educated, both academically and also to the systems and processes of the Smart City and how to make optimal use of them. The involvement of citizens in the city and the way in which it functions forms another key aspect of this element of the Smart City and can determine the level of success of the smart city.

## **1.7 Reaga Polokwane Programme**

The City of Polokwane has launched an exciting programme called "Re aga Polokwane", that is geared towards ensuring that the city and its citizens are working together to build the city of Polokwane.

The "Re aga Polokwane" programme will see greater communication and cooperation between the City and its various constituencies, including households, businesses and other stakeholders, to ensure that everyone associated with the City is working towards a common vision; building a smart city by 2030.

Polokwane, being the Capital city of the Limpopo Province has over the years seen a steady migration from other parts of the province to the city. This has been driven mainly by people coming to seek employment and business opportunities.

The rapid increase in the population size has come with a number of challenges for the Municipality, particularly the development of the infrastructure required to support this increase in population. Recently, the municipality was required to place a moratorium on new property developments in order to allow the Municipality to focus on developing certain infrastructure required to support the rate of property development.

### **➤ The Projects**

Currently, there are several major projects being embarked on in the City of Polokwane. The nature and magnitude of these projects are such that they will have a permanent impact on the City – impacting quality of life for the average resident; stimulating growth; enabling the Municipality to improve its efficiency in service delivery and revenue collection, amongst other benefits. Some of these projects include the replacement of 177km of AC (asbestos cement) pipes in the municipality’s jurisdiction; a project to replace conventional water and electricity meters with smart meters in a number of areas in the City; the introduction of a rapid bus service; a waste management project; as well as a major student accommodation drive to support the growing number of students in the city.

In order for these projects to be successful; there is a need for broad support from all key stakeholders. This includes the leadership within the municipality, the workers at all levels of the municipality, the business community, as well as residents in general. The rolling out of these projects generally comes with short term inconveniences and challenges to the residents, such as the disruption of traffic and resultant congestion, as well as temporary and unscheduled disruption of water and electricity. This can typically lead to disquiet amongst the residents, and



subsequently resistance to the projects. The city therefore considers it a priority to **actively engage** and **'on board'** all these stakeholders.

By creating the "Re aga Polokwane" programme, the city seeks to ensure that this **communication is enhanced** and **given a context** that will make the inconveniences more tolerable for the residents.

Through the Reaga Polokwane Programme the City will have a platform through which to communicate with its citizens on all projects it is running and will be able to run various campaigns that encourage residents to be part of the efforts to build Polokwane. Furthermore, residents and businesses will better understand the various inconveniences they are suffering, and tolerate them better, knowing that there are long term gains for all associated with the city.

Reaga Polokwane also provides a **partnership platform** for the City and citizens to work together to ensure the long-term development of the city. Individuals and businesses will be encouraged to approach the City and through the Reaga Polokwane programme work with the City on initiatives and campaigns that have long term benefits for the City of Polokwane and its residents.

The "Re aga Polokwane" platform will be used to ensure the City's citizens have a better understanding of the various projects that the city is embarking on and why the city has embarked on these projects.

The "Re aga Polokwane" brand provides residents and businesses with a platform and opportunity to use their own initiative to come up with programmes that will benefit and improve the city in various ways.

Communication will be designed to speak to the multi-cultural composition of the City's residents. This is a brand for the Municipality, businesses, residents and visitors. We are creating a unified identity that will be easier and more cost effective to manage. By speaking with one voice, under one brand, we will present a united front with all our individual programmes contributing to the City of Polokwane's reputation for leadership, innovation and community service.

## 1.8 Population Demographics

Guided by the **Statistics South Africa 2022 Census Report**, the Population of City of Polokwane has increased and its now standing at **843 459**.

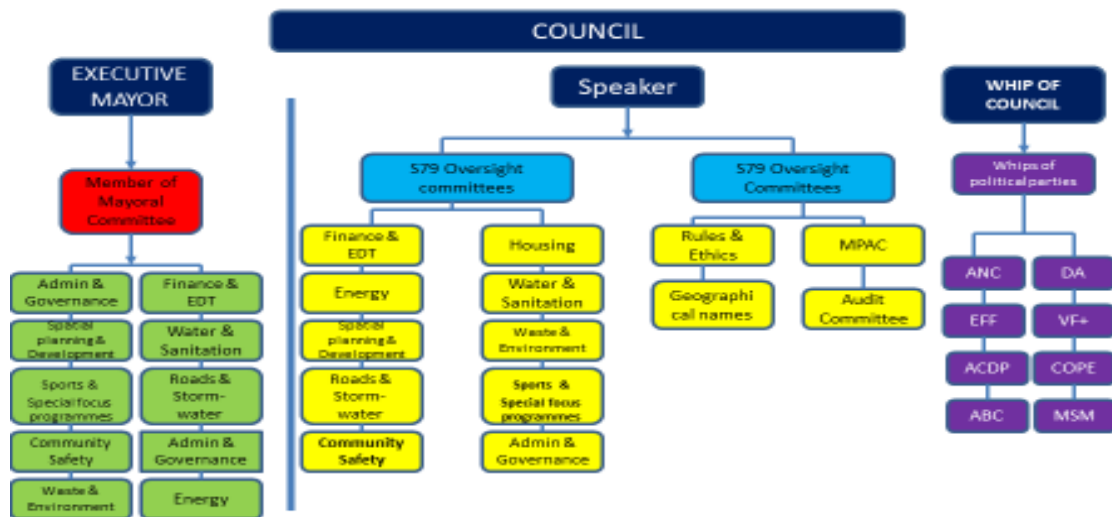
### Population by Gender

Polokwane	Male	Female	Total
	406 945	436 514	843 459

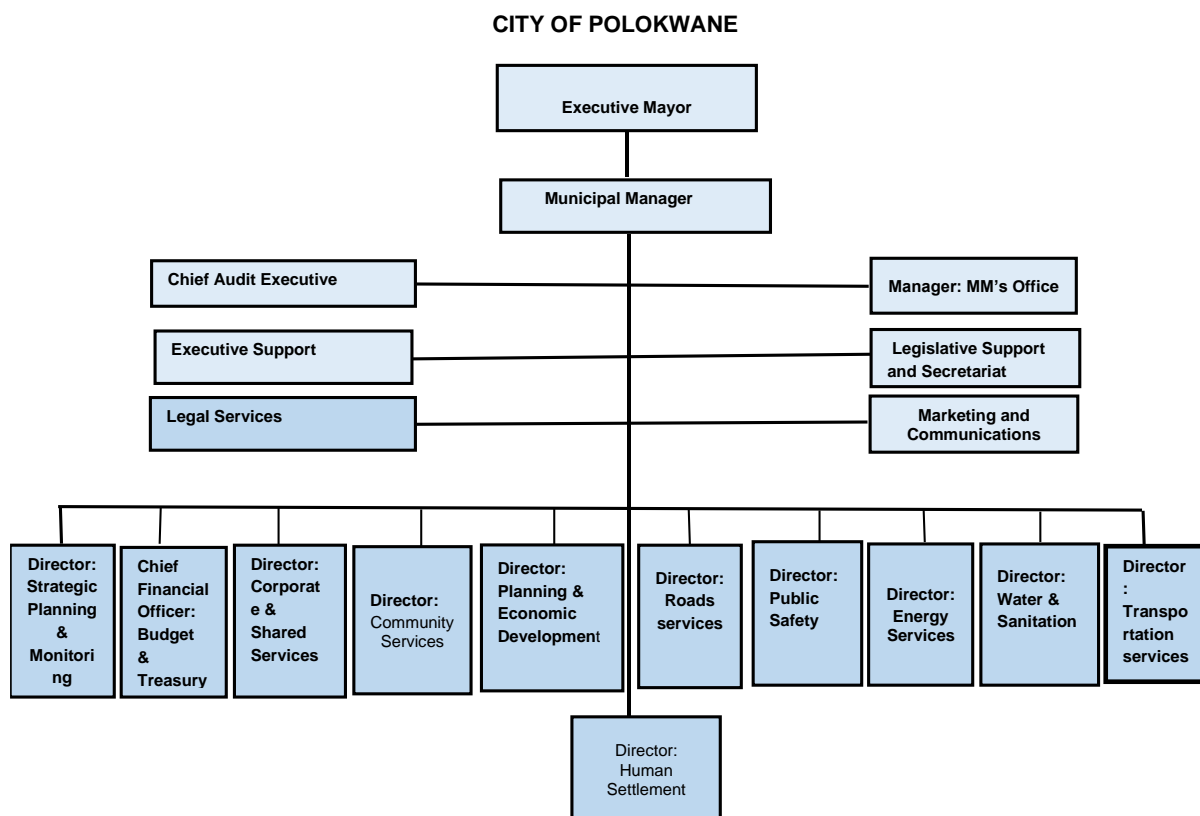
Source: **Statistics South Africa 2022 Census Report**

## 1.9 Organisational Overview

### ➤ Political Structure of Polokwane Municipality 2023/24



➤ **Administrative Structure of Polokwane Municipality in 2023-24**



➤ **Municipal Website**

After the adoption by Council, the Draft IDP/Budget documents and municipal policies were uploaded on the municipal website, hard copies were delivered to the Moshate and municipal cluster offices for the public to access the documents. All draft Budget policies were also placed on the municipal website.

IDP Presentations for various Clusters were simplified and divided into, seven (7) Clusters. The Draft Budget Presentations were also uploaded on the Municipal website.

1.10 Economic Profile of the Municipality

The Polokwane economy is essentially built on its function as a service centre for Limpopo Province and to a certain degree for residents from neighbouring countries. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy.

**Table 1: Economic Activity by Sector**

Sector	2019/20	2020/21	2021/22	2022/23	2023/24
Agric, forestry and fishing	963243	1793819	2021197	2277126	2144638
Mining and quarrying	4344427	6732817	11474504	11555397	7744591
Manufacturing	2561676	3287384	3705427	4151312	6299692
Wholesale and retail trade	15883777	17475720	20191890	22010732	22263755
Finance, property, etc.	14972571	20063803	21978299	23748164	19436591
Govt, community and social services	22859413	24899588	34542890	37128790	51910827

Sector	2019/20	2020/21	2021/22	2022/23	2023/24
Infrastructure services	11247353	8514233	9196488	10394030	12185769
Total	72832461	90006705	103110694	111265551	121985863

**Source: Regional Explorer, S & P Global 2024**

The number of formally employed people in Polokwane Local Municipality counted 207 958 in 2023, which is about 75.58% of total employment. Community Services which include government continues to be the largest employer in the Polokwane economy. The sector that employs the least number of people is mining with only 4284. Polokwane has minimal mining activities. The ongoing failure of certain parts of public infrastructure, especially electricity, will continue to constrain growth over the medium term. However, there have been ongoing land development within the city post the Covid-19 pandemic. The construction and rehabilitation of roads infrastructure, the establishment of new townships, new retail outlets and student accommodation, and the planned academic and private hospitals will boost employment in the foreseeable future.

#### **1.10 Audited Statement of Financial Performance in 2023/24**

The financial statements were submitted to the Office of the Auditor General on the 31<sup>st</sup> August 2024 as provided for in the MFMA.

### 1.11 Summary of Institutional Performance for 2023/24

The performance summary of Polokwane Municipality is presented in the table below. The presentation provides a comparison of the 2023/24 financial year and three (3) past financial years. The 2023/24 financial year's performance information is being audited and the results might change depending on the audit outcome which is currently underway.

No	Key Performance Area	Number of Indicators Not Achieved 2020-21 FY	Number of Planned Indicators 2021-22 FY	Number of Indicators Achieved 2021-22FY	Number of Indicators Not Achieved 20 21-22FY	Number of Planned Indicators 2022-23 FY	Number of Indicators Achieved 2022-23 FY	Number of Indicators Not Achieved 2022-23 FY	Number of Planned Indicators 2023-24 FY	Number of Indicators Achieved 2023-24 FY	Number of Indicators Not Achieved 2023-24 FY
1	Municipal Transformation and Institutional Development	3 (50%)	6	4 (66%)	2(44%)	6	4 (66%)	2 (34%)	05	05 (100%)	0
2	Basic Services Delivery	8 (64%)	16	7 (43%)	9 (57%)	10	5 (50%)	5 (50%)	21	13 (62%)	08 (38%)
3	Local Economic Development	2 (33%)	6	5 (83%)	1 (17%)	6	3 (50%)	3 (50%)	05	04 (80%)	01 (20%)
4	Financial Viability	4 (36%)	10	9 (90%)	1 (10%)	10	7 (70%)	3 (30%)	22	16 (73%)	06 (17%)
5	Good Governance and Public Participation	6 (23%)	27	21 (77%)	6 (23%)	29	25 (83%)	4 (17%)	29	25 (86%)	04 (14%)
6	Capital Works Plan (CWP)	-	-	-	-	-	-	-	166	100 (60%)	66 40%)

### 1.12 Service Delivery Challenges during the 2023/24

Section 46 (1) of the Local Government: Municipal Systems Act, 32 of 2000 requires municipalities to prepare the performance report that reflects the performance of the municipality and that of its external service providers.

Polokwane municipality wishes to highlight that some projects were delayed during the 2023/24 implementation year. The said projects were not completed on time due to various challenges such as:

- Projects are delayed by non-performing contractors, but non-performing contractors are penalized and also put on terms.
- Scarcity of water supply in the Municipality, boreholes were drilled in the City and surrounding areas to augment water supply
- Community disruptions, PPOs are requested to assist with community issues
- Vandalism and theft of material on site, projects are designed to increase security.

### 1.13 Measures taken to Improve Performance in 2023/24

- The municipality continues to improve projects planning across all funding sources. Project planning for each financial year commences in the third and fourth quarter in order to ensure that project implementation is achieved by the first quarter of each implementation year.
- The municipality uses a multiyear implementation approach for medium to long term projects with the aim of improving the rate of service delivery and back lock eradication.
- The municipality further uses a three-year panel for professional service providers for project preparations and planning.
- Putting technical support in place for interventions for poor performing projects. Where intervention is not successful contractors are penalized or terminated.
- Continuous project visits and site inspections meetings were held throughout the year.

### 1.14 Auditor General's Report for 2023/24

Polokwane Municipality received an Unqualified Audit Opinion in the 2023/24 financial year. The 2023/24 Unqualified audit opinion is the same status that was achieved in the 2022/23 financial year.

**Table 1: Auditor General's Report**

2023/24	2022/23	2021/22	2020/21	2019/20
Unqualified	Unqualified	Unqualified	Qualified	Qualified

### 1.15 Statutory Annual Report Process

**Table 2: Statutory Reporting 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 2024
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2024
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - December 2024
11	Municipalities receive and start to address the Auditor General's comments	January 2025 - March 2025
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public, and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	March 2025
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	March 2025

## CHAPTER 2

### 2.1 COMPONENT A: GOVERNANCE STRUCTURES

In terms of section 2 (b) of the Local Government: Municipal Systems Act 32 of 2000; a municipality consists of the political structures and administration of the municipality; and the community of the municipality. A political structure is defined in section 1 as the council of a municipality or any committee or other collective structure of a municipality elected, designated, or appointed in terms of the Municipal Structures Act. Furthermore, the Act recognises and defines “political office bearer” as the speaker, executive mayor, mayor, deputy mayor or a member of the executive committee as referred to in the Municipal Structures Act. The Whip of Council is an office bearer in terms of section 41A (1) of the Municipal Structures Act as amended by the Municipal Structures Amendment Act No. 3 of 2021, which came into effect on 01 November 2021. Municipal administration comprises of the departments and staff that manage the municipal affairs, led by the Municipal Manager.

To improve the efficiency of its governance system, the Municipality is finally implementing the Separation of Powers Governance Model. A decision was taken on the 18<sup>th</sup> of October 2023 (Council Resolution No. CR51/10/23) to establish the Legislative Arm of Council comprising of new Portfolio Committees chaired by non-executive Councillors. These Committees play oversight on the work of the Members of the Mayoral Committee and the Administration, thereby promoting accountability and efficiency. The Committees are also tasked promote public participation in the affairs of the Municipality and spearhead Council’s legislative function.

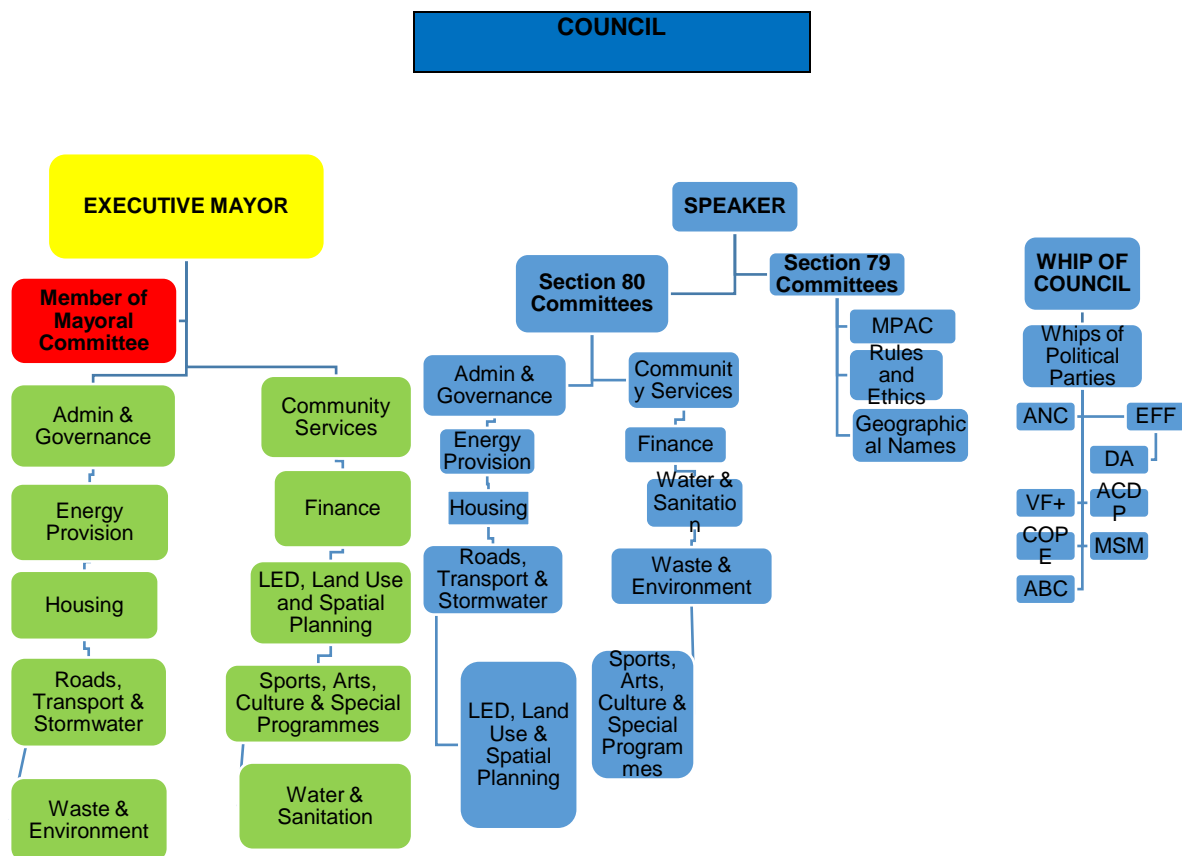
Council has also approved critical policies and procedures to improve efficiency and effectiveness of Council and its committees. These include the reviewed Rules of Order for Municipal Council and Council Committees By-Law 2023 (Council Resolution No. CR67/10/23); Uniform Standing Procedure for Non-Attendance of Meetings and other Breaches of the Code of Conduct for Councillors and the Council Rules of Order (USP) (Council Resolution No. CR68/10/23); and Councillors Declaration of Financial Interests and Gift Policy (Council Resolution No. CR216/04/24).

In the result, Polokwane Municipality has established political and administrative components responsible for the governance of the Municipality as reported below.

### 2.2 Political Governance Structure

The political governance structure of Polokwane Municipality for the 2023/24 financial year is as follows:





### (a) Council

Council is the apex political structure with both the legislative and executive powers derived from section 151(2) of the Constitution of the Republic of South Africa, 1996. Council has 90 seats occupied by eight (08) political parties as follows:

- African National Congress (**ANC**) – 57 seats.
- Economic Freedom Fighters (**EFF**) – 20 seats.
- Democratic Alliance (**DA**) – 07 seats.
- Vryheid Front Plus (**VF+**) – 02 seats.
- African Christian Democratic Party (**ACDP**) – 01 seat.
- Congress of the People (**COPE**) – 01 seat.
- Abantu Batho Congress (**ABC**) – 01 seat.
- Magoshi Swaranang Movement (**MSM**) – 01 seat.

ANC increased its seats from 56 in 2022/23 to 57 in 2023/24 after winning a by-election in Ward 10, which was previously under the EFF.

The following councillors ceased to hold office during the year and were duly replaced:

Name & Surname	Party	Reason	Replacement	Party
<b>Mohloana</b> Thapelo Karel	EFF	Resignation	<b>Rakoma</b> Thapelo Mashianoke David	EFF
<b>Radise</b> Charlotte Matlou	EFF	Expulsion from Party	<b>Molope</b> Nape Lydia	EFF
<b>Seshoka</b> Jacob Segodi	EFF	Resignation	<b>Madikoto</b> Willie Lancelot	ANC
<b>Raphela</b> Moipone Portia	EFF	Resignation	<b>Lekota</b> Matjeana Frengelinah	EFF
<b>Lebogo</b> Matome Jacob	EFF	Resignation	Not replaced as at 30 June 2024	
<b>Chidi</b> Ramathabatha Doraine Tiny	DA	Resignation	Not replaced as at 30 June 2024	

Council was programmed to meet 08 times during the year and successfully held 13 meetings. This includes special and urgent meetings that were convened in terms of Rule 7.3 of the Rules of Order for Municipal Council and Council Committees By-Law 2023.

#### **(b) Portfolio Committees**

Section 79 of the Municipal Structures Act authorises the municipal Council to establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers. To this end, Council resolved on the 18<sup>th</sup> of October 2023 (Council Resolution No. CR51/10/23) to re-establish or formalise its erstwhile committees from being Committees to assist the Executive Mayor in terms of section 80 to being Committees of the Council in terms of section 79 of the Municipal Structures Act. The Committees are **Admin & Governance; Community Safety; Energy; Finance; Housing; Local Economic Development, Land Use & Spatial Planning; Roads, Transport & Stormwater; Waster & Environment; Sport, Arts, Culture and Special Programmes; and Water & Sanitation**. The Committees are chaired by non-executive councillors, i.e. councillors not serving in the Mayoral Committee.

These portfolio Committees were delegated public representation and participation, legislative, and oversight powers in respect of, and on the work of their relevant administrative departments. The Committees were programmed to meet monthly excluding December and April and fared as follows:

COMMITTEE	PLANNED MEETINGS	ACTUAL MEETINGS	SPECIAL MEETINGS	TOTAL	CHAIRPERSON
Admin & Governance	10	10	2	12	<b>Ngoasheng</b> Lehlogonolo Herman
Community Safety	09	09	0	09	<b>Mabote</b> Makhasane Gloria
Energy	09	09	01	10	<b>Nchabeleng</b> Mahlatse Magdeline
Finance	9	09	00	09	<b>Moloto</b> Makwena Hazel

COMMITTEE	PLANNED MEETINGS	ACTUAL MEETINGS	SPECIAL MEETINGS	TOTAL	CHAIRPERSON
Local Economic Development, Land Use & Spatial Planning	9	09	00	09	Ramaselele Mahlomola Samuel
Roads, Transport & Stormwater	9	09	00	09	Pheedi Mmatlala Rekiel
Housing	9	08	00	09	Shadung Ramasela Vivian
Sport, Arts, Culture & Special Focus Programmes	09	09	01	10	Hamise Lebeko Harry
Waste and Environment	9	09	00	09	Bologo Ntshavheni
Water & Sanitation	9	09	00	09	Mokgohloa Tlou Stephen

The following joint committee meetings were held:

COMMITTEE	PLANNED MEETINGS	ACTUAL MEETINGS	SPECIAL MEETINGS	TOTAL
Joint Finance and Admin	4	4	0	4
Joint, Finance, Admin and Spatial Planning	0	0	1	1
Joint Housing and Finance	0	0	1	1
Joint Housing and Water & Sanitation	0	0	1	1

### (c) Standing Committees

There are also three standing Committees, namely Municipal Public Accounts Committee (**MPAC**); Rules & Ethics Committee (**REC**); and Local Geographic Names Committee (**LGNC**). These committees were programmed to meet, and fared as follows:

COMMITTEE	PLANNED MEETINGS	ACTUAL MEETINGS	SPECIAL MEETINGS	CHAIRPERSON
MPAC	09	9	9	Phoshoko Mapula Salome

COMMITTEE	PLANNED MEETINGS	ACTUAL MEETINGS	SPECIAL MEETINGS	CHAIRPERSON
REC	04	04	01	<b>Molepo</b> Mmathoto Magdeline
LGNC	09	05	01	Shadung Molepo Andries

#### (d) Mayoral Committee

The Mayoral Committee consists of councillors appointed by the Executive Mayor in terms of section 60 of the Municipal Structures Act to assist him. The Executive Mayor, Cllr Mosema John Mpe, reconfigured the Mayoral Committee in October 2023 as follows:

CLLR	DEPARTMENT/PORTFOLIO
<b>Kgare</b> Makwena Betty	Admin & Governance
<b>Malope</b> Seemole Jeneffer	Waste & Environment
<b>Mamabolo</b> Tebele Jerry	Sport, Arts, Culture & Special Programmes
<b>Mashalane</b> Fikile Zanele	Housing
<b>Mashangoane</b> Puleng Roseline	Local Economic Development, Land Use & Spatial Planning
<b>Moakamedi</b> Motlogeleng Alfred	Water & Sanitation
<b>Moloto</b> Thabang Desmond	Roads, Transport & Stormwater
<b>Nkwe</b> Tshepo	Finance
<b>Pemma</b> Joosnf	Community Safety
<b>Sivhabu</b> Nomonde Albertina	Energy Services

The Mayoral Committee was programmed to meet on a monthly basis except in December, and fared as follows:

PLANNED MEETINGS	ACTUAL MEETINGS	SPECIAL MEETINGS	TOTAL
10	10	5	15

Details on the composition of the Council Committees is provided herein as **APPENDIX A**. The Appendix includes the list of all councillors that held office as on the 30<sup>th</sup> June 2024, the party they belong to, their seat type, and the number of Council meetings they each attended.

**(e) Executive Mayor**

The Executive Mayor is Cllr Mosema John Mpe, who was elected into office following the Local Government Elections in November 2021.

The Executive Mayor has statutory functions and powers as provided for in sections 56, 60 and 80 of the Municipal Structures Act; sections 30, 39 and 62 of the Municipal Systems Act; financial functions and powers as provided for in various sections of the MFMA, and functions and powers as provided for in other pieces of legislation. The Executive Mayor is further delegated powers under the System of Delegation of Powers of the Municipality.

The Executive Mayor is assisted by the Mayoral Committee of ten members, whose details are given herein above, to executive the many powers and functions assigned and delegated to his office

**(f) Speaker of Council**

The Speaker of Council is Cllr Kobela Welhemina Modiba. The Speaker has the following powers and functions, assigned to her by section 37 of the Municipal Structures (as amended):

- To preside at meetings of the Council.
- To perform the duties and exercise the powers delegated to the speaker.
- To ensure that Council meets at least quarterly.
- To maintain order during council meetings.
- To ensure compliance in the Council and Council committees with the Code of Conduct for Councillors; and
- To ensure that Council meetings are conducted in accordance with the Rules of Order of the Council.
- To ensure that the legislative authority of the municipality functions effectively.
- To be responsible for the effective oversight over the executive authority of the municipality.
- To ensure the effectiveness of the committees of the municipal council established in terms of section 79.
- To be responsible for the ethics and accountability of the municipal council; and
- To ensure the effectiveness and functionality of ward committees and the public participation processes.

The Speaker has further powers delegated to her under the System of Delegation of Powers of the Municipality.

The Speaker oversees the work of the section 79 oversight committees, namely Portfolio Committees, MPAC, Rules and Ethics Committee and Local Geographic Names Committee. The Committees' performance for the year is reported herein above.

**(g) Whip of Council**

Cllr Phetole Adolf Rapetswa is the Whip of Council. The Whip of Council has the following statutory powers in terms of section 41B of the Municipal Structures (as amended):

- liaises with the different political parties to ensure representation in council and council committees.
- maintains sound relations between the various political parties.
- informs the whips of all parties on important matters on the council agenda.
- assists the speaker to count votes in the council meeting.
- facilitates the interaction between the executive and legislative oversight structures in the municipality; and
- resolves disputes between the speaker, mayor or executive mayor, or members of the mayoral committee.

Before every Council sitting, the Whip of Council convenes leaders of all the political parties represented in Council to a Multi-Party Forum to discuss matters on the Council agenda.

### 2.3 Administrative Governance Structure 2023/24

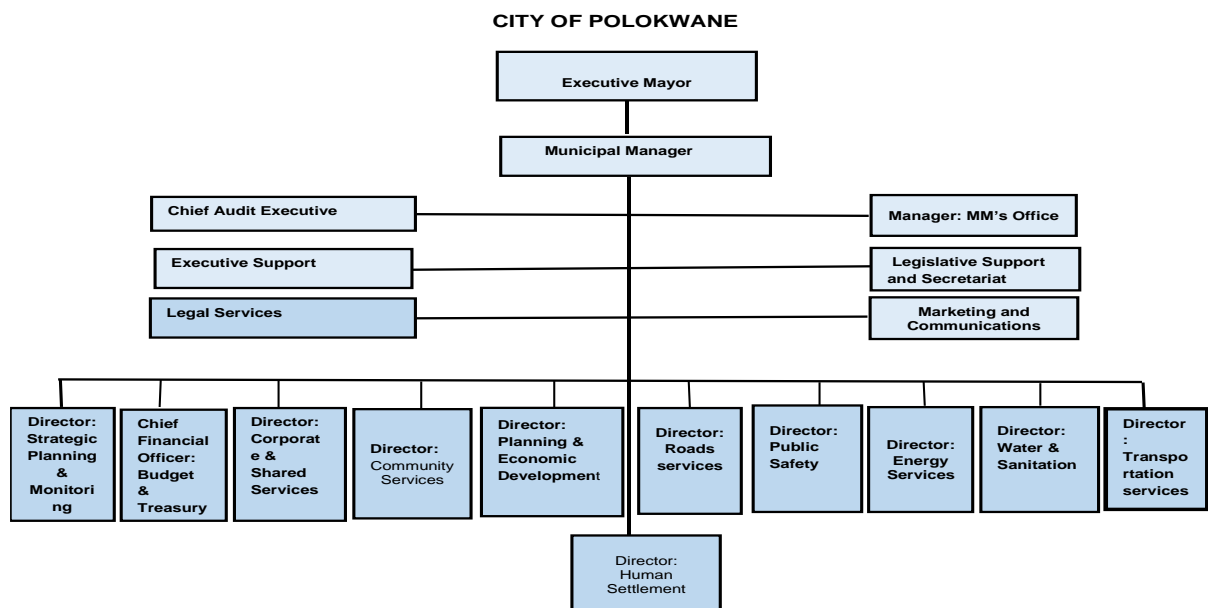
The administrative component of the municipality currently comprises of eleven (11) Directorates as follows:

- Budget and Treasury.
- Corporate and Shared Services.
- Strategic Planning, Monitoring and Evaluation.
- Planning and Economic Development.
- Community Services.
- Energy Services.
- Water and Sanitation.
- Roads Services.
- Transportation Services.
- Human Settlement.
- Public Safety.

Each directorate is headed by a Director appointed in terms of the section 57 of the MSA and consists of strategic business units headed by Managers. All Directors report directly to the Municipal Manager. As the year 2023/2024 came to an end there were six (06) director positions that were declared vacant by Council, and the process for recruitment of directors in those various directorates was underway.

Directorates with vacant Director positions are Corporate and Shared Services, Strategic Planning, Monitoring and Evaluation, Energy Services, Human Settlement, Budget and Treasury and Public Safety. Acting Directors had been appointed except for Public Safety and Human Settlements.

#### Administrative Governance Structure



## **2.4 COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

Polokwane Municipality participates in the Premiers Inter – Governmental Forum (P-IGF) that is comprised of the Premier as the chair and Members of the Executive Council and all the Executive Mayors supported by their Heads of Departments and Municipal Managers. Through the P-IGF both the Provincial and local sphere of government can inform and take decisions on policy and development issues that emanate from National, Provincial and local government level. Polokwane Municipality as a Provincial Growth Point participates in the forum to discuss and integrate development plans between the Province and the Municipality.

### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

Beside the P-IGF, the Municipality participates in the established IGR forums of the Capricorn District Municipality. The established forums are important for the purpose of integrated development planning and strengthening governance processes within the district. The following are intergovernmental relations forums that Polokwane Municipality participates in:

- Mayors Forum.
- Speakers Forum.
- Chief Whips Forum.
- Municipal Managers Forum and other technical forums.

### **RELATIONSHIPS WITH MUNICIPAL ENTITIES**

Thabatshweu Housing Company (Pty) Ltd, trading as Polokwane Housing Association, was established in 2001 as a Social Housing Institution and an entity of the City of Polokwane with the sole purpose to provide low-to middle-income rental housing through the government's policy of institutional housing. The target market for this service is individuals who earn between R3500 and R7500 per month. The entity was initially established as a Section 21 company (non-profit organization) which was transformed into a registered company and emerged as PTY (Ltd) in line with the Section 84 of the Local Government Municipal Finance Management Act, Act 56 of 2003. The Municipality signed a service delivery agreement with the entity in the 2012/2013 financial year. The agreement outlined service delivery targets and performance indicators that the entity must meet to achieve municipal objectives.

## **2.5 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Section 152 of the Constitution of the Republic of South Africa, 1996 enjoins the Municipality to provide democratic and accountable government for local communities and to encourage the involvement of communities and community organisations in the matters of local government. These constitutional objects are given detailed expression in the Municipal Systems Act 32 of 2000 in the following terms:

- Chapter 4 provides for community participation by amongst others, instructing the Municipality to contribute to building the capacity of the local community to enable it to participate in the affairs of the municipality.
- Section 16(1)(c) instructs the Municipality to use its resources, and annually allocate funds in its budget, as may be appropriate, to encourage, create conditions, and build capacity of the community to participate in the municipal affairs; and
- Section 41 (e) (I) and (ii) requires the Municipality to establish a process of regular reporting to the public and appropriate organs of state.

The Municipality has Public Participation Policy that facilitates how the residents should receive information, give feedback and know how they can get involved in the Municipality's affairs. It outlines both internal and external communication processes and mechanisms.

The Municipality has established the Ward Committees system that seeks to ensure effective public accountability and participation envisaged in the Constitution and the Municipal Systems Act. Ward Committees have been

established in all the 45 Wards. The Committees meet monthly to process reports that must be forwarded to the Municipality and to receive feedback on previously submitted reports. Ward Committee members receive fixed out of pocket expenses based on attending the monthly meetings and submitting reports, within the confines of the **National Framework: Criteria for Determining Out of Pocket.**

#### **Expenses for Ward Committee Members.**

Detailed information on the functions of ward committees, the sector of community representation and reports submitted by each of these committees is provided under **APPENDIX E** hereunder.

The Municipality also involves communities in the annual review of the Integrated Development Plan (IDP) and the Budget, which is conducted in a structured way as guided by the annual IDP/Budget Review Process Plan approved in accordance with section 28 (1) of the Local Government: Municipal Systems Act 32 of 2000 read with section 21 of the MFMA.

Meetings of the Council are published and opened to the public to promote transparency in the municipal affairs.

Ward Councillors are required in terms of the Schedule 7 (Code of Conduct for Councillors) of the Local Government Municipal Structures Act 117 of 1998, as amended, to report back to their communities on at least a quarterly basis. Council took a decision on the 30<sup>th</sup> of January 2024 to monitor compliance in this regard. The Office of the Speaker was tasked to coordinate these community feedback meetings and report to Council on a quarterly basis, and the first report served in the Council of 29 April 2024.

## **2.6 Risk Management**

Risk Management function is in line with section 62 of the Municipal Finance Management Act (MFMA). Risk Management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on service delivery capacity of a Municipality. Polokwane Municipality has an established Risk Management Unit headed by the Manager. The Unit was under the directorate, Office of the Municipal Manager during the 2023-24 financial year. The main objective of the risk management unit is listed below:

- Providing support on risk management process to Directors, Managers and other staff members within their directorate.
- Reporting emerging risk and incidents within their directorate to Risk Management Unit
- Ensuring that their directorate's risk management training needs and other challenges are communicated to Risk Management Unit
- Representing their directorate at the Risk Management Champions meetings.
- Report on risk management matters in their directorate meetings.
- Ensuring that all new developments; information and requirements related to risk management is communicated to the Directorates
- Risk assessment and review process is conducted annually at strategic and operational level where Directors and SBU Managers are consulted and encourage to identify risks and mitigations.
- Strategic risks are reviewed annually, and the process has been aligned with the IDP and Budget process to ensure that identified risk mitigations are budgeted for.
- Operational risks assessment and review is conducted for each SBU.
- Reporting of progress on mitigation both strategic and operational risk is done on the reporting system and monitored continually and reported to EXCO and Risk Management Committee.



Beyond the stated objectives, risk management under the following responsibilities:

- Facilitate the strategic and operational risk assessment.
- Manage and evaluate the implementation of the mitigation plans and analyze trends and prepare management reports.
- Manage the establishment and functionality of the risk management committee.
- Manage the implementation of Anti-fraud and corruption Strategies.
- Facilitate the development of Business Continuity Plans for the Municipality
- Oversight of overall Municipal risk management activities
- Assist the Municipal Manager to discharge her responsibilities for risk management.
- Review and recommend risk management policy, strategy, implementation plan & appetite
- Evaluate the effectiveness of the mitigating strategies
- Risk Management Committee meet quarterly and report to the Audit and Performance Audit Committee.
- Risk Management Committee is chaired by an independent chairperson who is not an employee of the Municipality All Municipal Directors are members of the Committee.

The risk management unit reviewed the strategic risks and operational risks during the 2023-24 financial year. Based on the review that was undertaken, the strategic risks identified in the 2022-23 financial year increased by 3 in the 2023-24 financial year, which is the year under review. The 2023-24 strategic risks are listed below:

- Ageing of infrastructure (Water, Energy, Roads and Storm water, Fleet, Facilities)
- Water losses
- Electricity losses (technical and non- technical losses)
- Inadequate Sewer Treatment Capacity
- Water Scarcity
- Theft and vandalism of municipal infrastructure
- Poor performance of allocated grants
- Cyber-attack
- Negative Audit Outcome
- Fraud and Corruption
- Cash Flow constraints
- Slow economic growth and development
- Unsustainability of the Integrated Public Transport Network (IPTN)

#### **EFFORTS TO COMBAT FRUAD AND CORRUPTION**

- Anti-Fraud and Corruption Strategy, Fraud Risk Prevention Plan and Whistle Blowing policy has been approved by Council.
- Implemented and oversight of the above by Risk Management Committee and Audit Committee.
- Fraud awareness campaigns are conducted quarterly.

- Investigations are conducted as and when required.

## 2.7 INTERNAL AUDIT

The Institute of Internal Auditors defines internal auditing as: *“an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”*

The Internal Audit function in Polokwane Municipality evaluates and contributes to the improvement of the following:

- ✓ Risk management
- ✓ Control environment
- ✓ Governance systems

Polokwane Municipality had an approved Internal Audit Plan that was approved in 2023. The plan was implemented in the 2023-24 financial year. The critical success factors for an effective internal audit plan are that it:

- ✓ Is aligned with the strategic objectives of the organisation.
- ✓ Covers the strategic risk areas facing the organisation, not just the financial risks and controls.
- ✓ Is risk based – addresses the key risk areas/concerns of management.
- ✓ Is prepared in consultation with management and the Audit and Performance Audit Committee.
- ✓ Matches assurance needs with available resources.

**The 2023/24 Internal Audit Plan included the following audits that were executed:**

- ✓ Risk Based Review.
- ✓ Performance Information Reviews.
- ✓ Compliance Review.
- ✓ ICT Review.
- ✓ Financial Review.
- ✓ Follow up Review.
- ✓ Adhoc Management Requested review.

### **Operation Clean Audit (OPCA) Meetings**

The Municipality established a task team to drive the Clean Audit initiative called **“Operation Clean Audit”** and which aims at improving governance, financial systems and service delivery at both local and provincial government level, reversing poor internal controls, poor quality of financial statements and non-compliance with Supply Chain Management whilst attaining a clean audit opinion.

The Task Team is an operational forum which formulates action plans and monitor progress in implementing action plans towards achieving a clean audit. The Task Team report to Council via the Audit and Performance Audit Committee which is responsible to Council for financial and internal control oversight in line with the Audit and Performance Audit Committee Charter.

## **2.8 OVERVIEW OF SUPPLY CHAIN MANAGEMENT**

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective. The Supply Chain Management Policy of the Municipality has been drawn up to give effect to these principles and the Preferential Procurement Legislation, and furthermore to comply with the provisions of the Local Government: Municipal Finance Management Act and its Regulations promulgated in terms thereof. The SCM policy has recently been reviewed and approved by Council to ensure that controls are tightened to combat fraud and corruption in procurement processes.

### **Supply Chain Management Unit**

Chapter 11 of the MFMA compels the municipalities to establish Supply Chain Management Units and implement the SCM Policy, which gives effect to all SCM functional areas. The Supply Chain Management Unit has been established and operates under a direct supervision of the Chief Financial Officer.

### **Bid Committees**

Regulation 26 of the Municipal Supply Chain Management Regulations stipulates that a municipality's Supply Chain Management system must provide for a committee system for competitive bids consisting of at least a bid specification, bid evaluation and bid adjudication committee. The Municipality has established the following committees:

- Bid Specification Committee.
- Bid Evaluation Committee and
- Bid Adjudication Committee.

Each Committee consists of a practitioner from Supply Chain Management and officials from key Directorates in the Municipality. The Accounting Officer is responsible for the appointment of bid committees in terms of s117 of the MFMA. Bid committees are appointed once a year and reviewed accordingly by the Accounting Officer. Although the chain of work of these Committees is intertwined, they operate separately from each other. Members of Bid are required to sign the Oath of Secrecy and to Declaration of Interests. This is to ensure a transparent and fair supply chain process.

### **Public Satisfaction on Municipal Services**

The municipality did not conduct a public satisfaction survey to determine the satisfaction levels of the community regarding the provision of services. The Municipality doesn't have available budget to conduct the community satisfaction survey.

## **2.9 WEBSITES**

Polokwane Municipality has a functional website that serves as a source of information for the Municipal stakeholders. The website is complying with the requirement of municipal website as set out in MFMA section 75. All municipal documents that are required to be placed on the municipal website are available on the Municipal Website. The website is managed by the ICT Unit under the Directorate Corporate and Shared Services. There is a dedicated position of webmaster. The position was filled during the 2023/24 financial and responsibilities of this position is amongst others uploading information in the website.

**Table 3: Municipal Website: Content and Currency of Material**

<b>Municipal Website: Content and Currency of Material</b>	
<b>Documents published on the Municipality's website</b>	<b>Yes/No</b>
Current annual and adjusted budget and all budget related documents	Yes
All current budget related policies	Yes
The previous annual report 2022/23	Yes
All current performance agreements required in terms of section 57(1)(b) of the municipal system act 2024/25	Yes
All service delivery agreements 2023/24	Yes
All long term borrowing contract 2023/24	None
All supply chain management contract above prescribed value that (give value) for 2023/24	None
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 the 2023/24	None
Contracts agreed in 2023//24 to which sub section (1) of section 33 apply, subject to subsection (3) of that section	None
Public private partnership agreements referred to in section 120 made in 2023/24	None
All quarterly reports tabled in the Council in terms of section 52(d) during the 2023/24	Yes

## 2.10 BY-LAWS

By making by-laws, Polokwane municipality exercise its legislative authority as conferred by the Constitution of the Republic of South Africa Act 108 of 1996. By-laws are the legislation of a municipality. By-laws are intended to give effect to and regulate the policies of Polokwane municipality. The Constitution and the Municipal Systems Act recognise by-laws as the only instrument through which a municipality exercises its legislative authority. By-laws are, as stated above the legislative instrument through which a municipality gives effect to its policies and are critical instruments in ensuring the municipality's sustainability. By-laws are also a regulatory instrument against which a municipality can monitor its own performance or that of its service providers. In the 2023/24 financial year the following By-laws were reviewed and approved by council:

- Animal Pound By-law
- Rules of Order document
- Parks & Open Spaces By-law
- Maintenance of trees By-law
- Planning (SPLUMA) By-law

## 2.11 OVERSIGHT COMMITTEES

There are also three standing Committees, namely Municipal Public Accounts Committee (**MPAC**); Rules & Ethics Committee (**REC**); and Local Geographic Names Committee (**LGNC**). These committees were programmed to meet, and fared as follows:

**Table 4: Oversight Meetings**

<b>COMMITTEE</b>	<b>PLANNED MEETINGS</b>	<b>ACTUAL MEETINGS</b>	<b>SPECIAL MEETINGS</b>	<b>CHAIRPERSON</b>
MPAC	09	9	9	<b>Phoshoko</b> Mapula Salome
REC	04	04	01	<b>Molepo</b> Mmathoto Magdeline
LGNC	09	05	01	Shadung Molepo Andries

**Audit Committee and Performance Audit Committee**

APAC is a committee of Council primarily established to provide independent specialist advice on financial performance and efficiency, compliance with legislation, and performance management. A combined committee was appointed to represent both Performance Audit and Audit Committees in compliance to section 166 of MFMA no 56 of 2003 and section 14(2) of Municipal Planning and Performance Management Regulations. The Audit and Performance Audit Committee must liaise with Internal Audit in terms of Section 166(3) (a). APAC ensure that the strategic internal audit plan is based on key areas of risk, including having regard to the institution's risk management strategy.

The Committee reviews the work of Internal Audit through the internal audit reports. The Audit and Performance Audit Committee currently has five members, comprised of Chairperson and four members. APAC operate in terms of approved Charter which outline the role, responsibilities, composition and operating guidelines of the committee of Polokwane Municipality and report to Council quarterly.

## CHAPTER 3

### SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

#### 3.1 COMPONENT A: BASIC SERVICES

##### 3.1.1 INTRODUCTION TO BASIC SERVICES

Polokwane Municipality is established in terms of the Constitution of the Republic of South Africa to ensure the provision of services to the community in a sustainable manner. To achieve the objective set in section 152 of the Constitution (1996), the IDP of the municipality developed a strategy map to respond to the Constitutional mandate. The strategic objective aligned to the provision of basic services Constitutional mandate to develop and revive infrastructure with the outcome of providing reliable and sustainable services.

The priorities of the municipality in the 2023/24 financial year were aligned to both the National and Provincial priorities which include construction of infrastructure, creation and reduction of basic services backlog. The alignment was further consolidated to meet the development gaps found in the municipality. Reduction of municipal basic services backlog, upgrading and rehabilitation of infrastructure, energy and water efficiency and demand was municipal priorities.

#### 3.2 WATER PROVISION

##### 3.2.1 Introduction to Water Provision

Polokwane Municipality as water authority and provider is responsible for reduction of water backlog, managing the scarce resource and to ensure that communities receive reliable and sustainable water. The municipal area is divided into Fifteen (16) Regional Water Schemes namely, Mothapo RWS, Moletjie East RWS, Moletjie North RWS, Moletjie South RWS, Houtriver RWS, Chuene/Maja RWS, Molepo RWS, Laastehoop RWS, Mankweng RWS, Boyne RWS, Segwasi RWS, Badimong RWS, Sebayeng/ Dikgale RWS, Olifants Sand RWS, Aganang RWS and new Bakone RWS under development. Reduction of municipal backlog through provisioning, distribution and maintenance of water infrastructure, water demand management and quality management are the priority of the municipality.

##### 3.2.2 Free Basic Water

The provision of free basic water in Polokwane Municipality is determined by the indigent policy and register updated annually for those who stays in areas where cost recovery is ongoing, and all the rural villages are receiving free basic water.

**Table 5: Free Basic Water**

Basic service	The limited amount	Free basic services provided	Rural/Urban	Number Customers
<b>Water</b>				
Free basic water.	6kl per month	<ul style="list-style-type: none"><li>50 villages received free Water monthly.</li><li>villages receive free Water supplied by Lepelle Water Board.</li><li>153 villages receive free water supplied by boreholes.</li></ul>	Rural	All households in rural areas

Source: PLK Water and Sanitation SBU, 2023

A statistical summary of the status quo assessment for water and sanitation services is provided per cluster in Table below:

**Table 6: Water Service Levels**

Service	Cluster	Service Level
Water	Mankweng/Sebayeng	67.9 % above RDP
	Moletjie	60.7 % above RDP
	Maja/Chuene/Molepo	44,3 % above RDP
	Aganang	59.0 % above RDP
	Municipal wide	82.04% access to water
	Municipal wide backlog	17.96%

**Source: PLK Water and Sanitation SBU, 2023**

There is still a considerable backlog that must be addressed especially in the Maja, Chuene, Molepo, followed by Moletjie and Mankweng clusters. The elimination of backlog is challenged by limited and /or unsustainable source of water found in the rural areas and continuous increase of new settlements in some clusters in the municipal area. Funding limitations also affect the eradication of backlog on the expected rate.

### 3.2.3 Water Quality

According to the Constitution of the Republic of South Africa everyone has the right to an environment that is not detrimental to their health or wellbeing.

To ensure that water quality does not pose any health hazards to our people, Department of Water and Sanitation as the regulator has introduced the monitoring tool for water quality. According to DWS there is certain standard which both potable and wastewater must meet.

Polokwane municipality obtained 58 % on the 2022/23 Blue Drop assessment, which is the latest Blue Drop Assessment Report. A new report has not been published in the 2023-24 financial year. The challenges that were sited were the lack of skilled personnel (classified operators) and the lack of water safety plans. Municipality will work on filling of all positions for all the plants and the development of water safety plans to ensure improvement in compliance with the Blue Drop standards.

**Table 7: Surface Water Quality Test Results**

Determinant	Unit	Dap Naude	Ebenezer	Olifantspoort	Seshego Dam
pH	pH Unit	8.34	6.82	6.73	7.42
Turbidity	NTU	0.61	0.72	0.69	0.74
Conductivity	mS/m	2.46	4.83	77.63	77.70
Total Dissolved Solids (TDS)	mg/l	15.99	31.40	504.56	505.05
NO3	mg/l	0.40	0.13	0.28	0.35
SO4	mg/l	1.81	2.79	170.00	165.16

Determinant	Unit	Dap Naude	Ebenezer	Olifantspoort	Seshego Dam
Alkalinity (m)	mg/l	8.80	15.83	115.90	115.09
Chloride	mg/l	4.25	6.91	85.95	62.40
Tot Hardness	mg/l	21.2	58.05	319.00	354.00
Ca Hardness	mg/l	20.00	23.25	123.25	135.00
Mg Hardness	mg/l	1.20	34.80	195.75	219.00

Source: PLK Water and Sanitation SBU, 2023/24

Polokwane Municipality Groundwater sources generally indicate elevated hardness levels, more than 300mg/l, which is defined as very hard water. Hard water is generally considered to be those waters that require considerable amounts of soap to produce foam, and hard water also produces scale in water pipes, heaters, geyser and other units in which the temperature of the water is increased.

Although the South African National Standards 241:2015 do not specify a maximum limit for hardness levels the elevated hardness levels, when compared to the surface water sources, will lead to end-user complaints when the groundwater is introduced untreated into the reticulation system. It is therefore advisable to soften the groundwater sources to levels comparable to the Olifantspoort source to mitigate end-user complaints. Hard water is appropriate for human consumption like that of soft water. However, as hard water produces adverse actions with soap its use for cleaning purposes is unsatisfactory.

**Table 8: Polokwane Local Municipality: Access to Safe Drinking water**

Provision of Water	Yes	No	Unknown	Total
Households	204 104	42 935	2404	249 443
Percentage	82%	17%	1%	100%

Source: PLK Water and Sanitation SBU, 2024

From the analysis, it is evident that household population has increased from 203 605 to 249 443 households and the number of households with piped water inside their house have increased this figure includes 85 603 HH with water in the dwelling and 63 905 HH with water in the yard while 54 596 HH are receiving piped water on communal tap. The municipality has 42 935 households with no access to piped water. The elimination of backlog is challenged by limited and /or unsustainable source of water found in the rural areas and continuous increase of new settlements in some clusters in the municipal area. Funding limitations also affect the eradication of backlog on the expected rate. The municipal Regional Water Schemes depends on the following water sources:

**Table 9: Water Scheme Sources**

Water source	RWS supplied	Average Daily Supply	Source Capacity
Ebenezer	Mankweng RWS	22 MI/Day	21 MI/day
	Rural (Mothapo RWS, Molepo RWS, Segwasi RWS, Boyne RWS, Badimong RWS, Sebayeng Dikgale RWS)		



Water source	RWS supplied	Average Daily Supply	Source Capacity
Olifants Sand	Chuene/Maja RWS, Olifants Sand RWS (Seshego, some portion of City and Mmotong wa Perekisi)	27.3 MI/day	27 MI/d
Dap Naude Dam	Olifants Sand RWS (Polokwane City)	12 MI/Day	18 MI/d
Seshego Dam + Boreholes	Olifants Sand RWS (Seshego)	7,6 MI/day	10 MI/d
Ebenezer	Olifants Sand RWS (Polokwane City)	16 MI/Day	11 MI/Day
City Boreholes	Augment water from dams	5,5 MI/Day	25,33 MI/d
Rural dams			
Houtriver Dam	Houtriver RWS	2,0 MI/day	3,9 MI/d
Chuene/Maja Dam	Chuene Maja RWS	1.2 MI/day	2,7 MI/d
Molepo Dam	Molepo RWS	1.5 MI/day	6 MI/d
Mashashane (Utjane) Dam	Moletjie south RWS	0.6 MI/day	1.5 MI/d
Rural Boreholes	Rural RWS	30 MI/day	30 MI/d
<b>Total</b>		<b>124.8 MI/day</b>	<b>156,43 MI/d</b>
<b>Peak flow demand</b>		<b>163 MI/day</b>	

**Table 10: Water Service Delivery Levels**

Water service delivery levels					
Description	2019/20	2020/21	2021/22	2022/23	2023/24
Water:					
Piped water inside dwelling	82824	84298	84745	85117	85603
Piped water inside yard (but not in dwelling)	59777	61600	61600	61600	63905
Using public tap (at least min. service level)	39600	39450	39520	39520	39551
Other water supply (at least min. service level)	N/A	N/A	N/A	N/A	N/A
Minimum Service Level and Above sub-total %	93.45%	94.50%		95%	95%
Using public tap (< min. service level)	15890	15045	15045	15045	15045
Other water supply (< min. service level)	980	1125	3953	4960	4960

Water service delivery levels					
Description	2019/20	2020/21	2021/22	2022/23	2023/24
Water tank supply					
Below Minimum Service Level sub-total %	5.8%	5.6%	5.3%	5 %	5 %
<b>Total number of households</b>	<b>239 116</b>	<b>239 116</b>	<b>239 116</b>	<b>249 443</b>	<b>249 443</b>

**Table 11: Employee's water and sanitation service 2023/24**

Employees water service 2022/23					Employees water service 2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time) (EQ)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time) (EQ)
0-3	2	7	2	5	0-3	2	7	4	3
4-6	12	14	12	2	4-6	12	14	14	-
7-9	28	53	28	25	7-9	28	53	32	21
10-12	15	44	15	16	10-12	15	44	15	29
13-15	33	37	33	4	13-15	33	37	33	4
16-18	209	234	209	25	16-18	209	234	209	25
Total	301	389	299	74	Total	301	389	307	82

**Table 12: Capital Expenditure 2023/24: Water & Sanitation Services**

Multi Year Budget Capital Programme	Asset Class	Funding Source	Special Adjustment (Incl. Transfer)	Total Spent	% Spent
Water 1 X TLB Bobcat	Transport Asset	CRR	632 500	-	0%
Acquisition of Water Tankers	Transport Asset	CRR	20 464 709	19 033 263	93%
CRR Polokwane Bulk Water Supply	Water Infrastructure	CRR	7 849 906	7 849 794	100%
CRR WIP Molepo RWS Molelemanane	Water Infrastructure	CRR	2 619 125	2 619 176	100%
CRR WIP Sebayeng/Dikgale RWS	Water Infrastructure	CRR	5 123 486	4 657 620	91%
Drilling of Boreholes at (Disteneng)	Water Infrastructure	IUDG	6 105 217	6 105 216	100%
WIP Aganang RWS (2) (Mahoi and Rammetloana ceres and Sechaba	Water Infrastructure	IUDG	33 591 182	33 590 854	100%
WIP Mashashane Water Works33600	Water Infrastructure	IUDG	15 446 407	15 446 411	100%
WIP Mashashane Water Works33600	Water Infrastructure	IUDG	333 338	333 333	100%
WIP Mankweng RWS phase 1033600	Infrastructure Water	IUDG	1 334 642	1 334 640	100%
WIP Boyne RWS phase 1033600	Infrastructure Water	IUDG	12 545 738	12 545 736	100%
WIP Laastehoop RWS phase 1033600	Infrastructure Water	IUDG	1 637 700	1 637 699	100%
Houtriver RWS	Infrastructure Water	IUDG	8 554 510	8 554 510	100%

Multi Year Budget Capital Programme	Asset Class	Funding Source	Special Adjustment (Incl. Transfer)	Total Spent	% Spent
WIP Chuene Maja RWS phase 933600	Infrastructure Water	IUDG	15 984 113	15 984 113	100%
WIP Sebayeng/Dikgale RWS 233600	Infrastructure Water	IUDG	5 957 323	5 957 323	100%
WIP Moletjie East RWS 233600	Infrastructure Water	IUDG	8 651 65	8 598 774	99%
WIP Mothapo RWS33600	Infrastructure Water	IUDG	32 407 830	32 370 548	100%
WIP Molepo RWS phase 1033600	Infrastructure Water	IUDG	13 067 997	13 067 933	100%
WIP Olifantspoort RWS (Mmotong wa Perekisi) 233600	Infrastructure Water	IUDG	11 806 213	11 806 213	100%
Refurbishment of Mankweng WWTPW	Infrastructure Water	IUDG	10 981 350	10 980 748	100%
Polokwane Bulk Water Supply	Water Infrastructure	RBIG	68 190 152	67 690 461	99%
WIP Badimong RWS phase 1033600	Water Infrastructure	WSIG	1 701 305	1 701 305	100%
WIP Thakgalang Rural Sanitation Phase 1	Sanitation Infrastructure	WSIG	8 578 318	8 578 221	100%
WIP Moletjie North RWS33600	Water Infrastructure	WSIG	13 027 154	13 027 154	100%
WIP Moletjie South RWS33600	Water Infrastructure	WSIG	-	-	

Multi Year Budget Capital Programme	Asset Class	Funding Source	Special Adjustment (Incl. Transfer)	Total Spent	% Spent
Kalkspruit Water Supply (Aganang)	Water Infrastructure	WSIG	-	-	0%
WIP Segwasi RWS33600	Water Infrastructure	WSIG	14 244 427	14 244 425	100%
WIP Bakone RWS	Water Infrastructure	WSIG	10 860 571	10 860 618	100%
WIP Aganang RWS (3)	Water Infrastructure	WSIG	19 288 225	19 284 817	100%
WIP Regional wastewater treatment plant33350	Sanitation Infrastructure	RBIG	170 348 848	170 348 848	100%
Mankweng Bulk Sanitation & WWTW	Sanitation Infrastructure	CRR	22 593 924	22 593 746	100%
CRR WIP Polokwane Regional waste Water treatment plant	Sanitation Infrastructure	CRR	72 140 644	72 140 084	100%
Sewer Combination Trucks/Super Suckers	Transport Asset	CRR	-	-	0%
			616 068 548	612 943 582	99%

In the 2023/24 financial year a total of R 616 068 548.34 was allocated to water and wastewater projects under various funding sources and expenditure of R 612 943 582.20 was incurred which is a 99.5% expenditure.

### 3.2.4 Comments on Water Services Performance Overall

During the financial year the total number of households with water at minimum and above standard increased by 92.82 % to 94.50 % while the total number of households with below minimum standard was reduced to 5.60%. The total number of households receiving free basic water was (54873) municipal wide. Water conservation awareness campaigns were undertaken, and the municipality adopted a Council resolution to restrict water usage. Due to old infrastructure, the Municipality has completed the AC Pipes replacement project and water losses are reduced in CBD, Seshego (B&C) and Annadale. However, there are still parts that has AC Pipes that needs to be attended to reduce water losses to an acceptable level.

Polokwane Municipality has adopted a holistic and integrated approach to supply quality, potable water of acceptable volumes to all its residential, commercial, and industrial clients. In June 2017 the Polokwane Municipality embarked on the drafting of an Integrated Water Master Plan to address the full water distribution cycle (from source-to-tap-to-effluent discharge).

The Integrated Water Master Plan was completed in January 2019. Various water- and sanitation related projects were identified, investigated and aligned with each other. Identified projects were prioritized and necessary funding was made available for implementation of a number of the prioritized projects. As part of the Masterplan, the bulk water supply and distribution systems currently serving the Polokwane Local Municipality (PLM), were modelled to evaluate their capacities, and to determine the need for any upgrades to supply in the current- and future projected water demands. A 20-year project implementation framework for water related projects was completed. Identified projects are currently being implemented or scheduled for implementation based on budget availability.

Over the past few years, the municipality has prioritised the implementation of groundwater development program to augment the current surface water supply from Lapelle Northern water by approximately 32ML. The groundwater development program is divided into five strategic projects namely: (Sterkloop boreholes, Sandriver South boreholes, Sandriver North Boreholes, Bloodriver Boreholes, Pilgrimshoop boreholes, Seshego boreholes, Polokwane individual boreholes), pumping mains from the boreholes, two new water treatment plants at Sandriver North and Seshego. These projects are nearing completion and although there have been delays largely due to vandalism of infrastructure and variation order to functionalise the projects, contractors are on site and they are committed to competing the projects, completion is expected in the 2nd quarter of 2023/24 financial year.

### 3.2.5 Budget 2023/24

To address the water challenges the municipality has allocated capital funding for water and sanitation programs as follows:

**Table 13: Capital Funding for Water and Sanitation**

Number	Funding	Amount
1	Municipal Own Funds (CRR)	R 21 097 209
2	Water Service Infrastructure Grant	R 72 700 000
3	Regional Bulk Infrastructure Grant	R 161 539 000
4	Integrated Urban Development Grant	R 114 973 251

### 3.3 Wastewater (Sanitation) Provision

#### 3.3.1 Introduction to Sanitation Provision

Sanitation is about dignity. The availability of sanitation facilities not only improves the dignity of people, but also promotes their health. Areas without proper sanitation systems give rise to water borne diseases like cholera, diarrhoea, typhoid, etc. It is therefore important that the Municipality prioritise the service, particularly taking into account the backlog (rural sanitation) and the national target. Polokwane municipality implemented the provision of dry sanitation facility to increase the number of households in rural areas (including households living in poverty) and connection of sewerage facilities in urban areas. The provision of dry sanitation facilities is aimed at minimising contamination of underground water and reducing diseases. The strategy was fully adopted in the 2011/2012 financial year.

Further than the provision of the dry sanitation facility, households that are in urban areas are provided with sewerage connection upon application. Based on the high backlog in the provision of sanitation service within the municipal area, the priority of the municipality is to increase the number of households with access to minimum service level and above will be on the households without any facility and those with other toilet provisions especially in rural areas. Municipality has also already started addressing the issue of capacity in terms of water-borne sanitation. Through the RBIG funding the Municipality is implementing additional bulk sewer network and the building a new regional wastewater treatment plant to address the current overload and cater for future developments.

#### 3.3.2 Sanitation

*Sanitation is about dignity.* The availability of sanitation facilities not only improves the dignity of people, but also promotes their health. Areas without proper sanitation systems give rise to water borne diseases like cholera, diarrhoea, typhoid, etc. It is therefore important that the Municipality priorities the service, particularly considering the backlog (rural sanitation) and the national target.

**Table 14: Toilet Facilities (Households)**

Type of toilet facility	2022/23	2023/24
Flush toilet connected to a public sewerage system	103 180	103 259
Flush toilet connected to a septic tank or Conservancy tank	6 044	6 044
Chemical toilet	1 686	52
Pit latrine / toilet with ventilation	40 575	42 393
Pit latrine / toilet without ventilation	102 965	102 965
Ecological toilet (Urine diversion, enviroloo etc.)	282	282
Other	25 756	25 756
None	4248	4248

**Source: PLK Water and Sanitation SBU, 2024**

Major progress has been made in the provision of sanitation services in Polokwane since 2001, there major improvement in the provision of this service. However, with the improvement the municipality will not meet the Millennium Development Goal that every household must have access to healthy and dignified sanitation facility. The municipality is currently having a huge backlog of sanitation facilities (VIP) and an amount of more than R500

million is required to eradicate it. The backlog figure includes 102 965 pit latrines that are not constructed according to the approved standards and as such it poses a risk of water borne diseases.

### 3.3.3 Free Basic Sanitation

For Improved provision of basic and environmental services in a sustainable way to our communities, each financial year Polokwane Municipality construct the Ventilated Improved Pit latrine (VIP) in rural Villages according to the priority list of the ward.

**Table 15: Households; Sanitation Service Delivery levels below the minimum**

Waste Water (Sanitation) Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Target	Actual
Service Indicators							
(i)	(ii)						
Service Objective							
<i>eg Provision of toilets within standard</i>	Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	1800	343	4017	91	4365	1897

### 3.3.4 Challenges Water Services

- Lack of sustainable water sources for current and future demand, the municipality is currently receiving between 110 to 120 MI/d and unable to meet the peak flow demand of 163 MI/day.
- Lack of As-Built drawings for the City and Mankweng
- Eradication of water supply backlog in Regional Water Schemes.
- Eradication of Sanitation backlog (+ 68 000 HH).
- Refurbish components of existing sewer plant to reduce the smell.
- Electrification of boreholes in RWS and lack of capacity by ESKOM.
- Lack of capacity at the Mankweng wastewater treatment works, which creates challenge on future developments.
- Illegal yard connections in rural areas.
- Vandalism and theft of infrastructure
- Illegal disposal of sewage in storm water drains at Mankweng (Private University Residence).
- Shortage of staff that results in excessive overtime.
- Lack of rural sanitation maintenance plan.



### **3.3.5 Intervention to solve the Challenges**

#### **1. Water Shortage**

Refurbishment of City boreholes and intensify security.

- Implementation of Groundwater Project – Equipping of drilled boreholes, Bulk pumping lines and construction of the 10 MI/day Seshego WTW is practically complete and its providing water to Seshego community and surroundings. The Construction of the 18 MI/day Sandriver WTW and the associated work of Equipping of drilled boreholes and Bulk pumping lines is anticipated to be completed during the 3<sup>rd</sup> quarter 2024/2025 Financial Year.
- Refurbishment of Dap Naude Pipeline and Construction of a new booster pump station. The IRS is under review by the department of water and sanitation.
- Turfloop Wellfield Development, Treatment and Distribution the IRS is submitted to the department and pending WULA and Servitudes.
- Water supply system modelling (to produce supply zones, pressure zones, As-Built Drawings).

#### **2. Waste Water Treatment Works (WWTW) overloaded.**

- Upgrading of Polokwane Wastewater Treatment Works to 32MI/day (current capacity by 26 MI/day). Phase 1 completed; Phase 2 in progress to be completed September 2024.
- Construction of first 20MI/day module of the Regional Wastewater Treatment Works (RWWTW) in progress expected completion is end of November 2025.
- Refurbishment of the Polokwane and Seshego WWTW is underway, the Refurbishment of Mankweng WWTW is complete
- Plans to construct a 26 MI/day Wastewater Treatment works in Mankweng are underway.
- Enhance the current operations (Capacity building to current personnel and filling the vacant positions).

#### **3. Aging Infrastructure**

##### **3.1 Water**

Replacement of Asbestos Cement pipes (AC). Phase 2 development of the IRS is underway

Remodelling the water supply system (to locate valves, have As-Built drawings).

##### **3.2 Sanitation**

Modelling the sewer system / Sewer Master Plan (for upgrading and refurbishment purpose)

#### **4. Uncoordinated New Settlements**

All land developments to be coordinated through Planning Directorate through engagements with traditional authorities.

#### **5. Transformers, cable theft and vandalism/ Delay from Eskom to energise the boreholes.**

Develop security plan.

Engage Eskom on their turnaround time for energising of new boreholes and replacing the stolen transformers.

#### **6. Private water supply by LNW to Municipal Residence**

Dalmada water users supplied directly from LNW.

Engage with LNW and Dalmada Water users for Municipality to take over the water supply responsibility.

## **7. Maintenance of Rural Households Sanitation.**

Development of rural sanitation maintenance plan.

## **8. Over reliance to annual contractors.**

Build capacity to the internal personnel for the specialise functions e.g. boreholes and pump stations.

### **3.3.6 Future Plans – Vision 2023**

As the Municipality has established the water supply challenges for urban and rural areas, we have determined solutions and have planned and prepared short term as well as medium- and long-term interventions to address the challenges, Lepelle Northern Water requires a budget of approximately R 4 billion for the immediate upgrading of the Olifants-Sand Water Scheme. R 700 million is required by LNW for the immediate upgrading of Ebenezer WS infrastructure, and for the long-term LNW will require an estimated R13 billion to upgrade all bulk infrastructure conveying water to Polokwane urban and rural areas. Additional sources of water should be considered for unlocking the growth of the city e.g Supply from De Hoop Dam Further investigations and development of the Malmane Dolomites and wastewater reclamation to augment current supply of water to Polokwane Municipality, the planning has been submitted to Infra SA for funding. The development of the IRS for Mankweng (26ML/day) WWTW together with the bulk network is underway. The city will also continue with its plans and implementation of water demand conservation management strategies e.g Continue to replace old AC Pipes in areas, Installation of smart meters and implementation of SCADA.

### **3.3.7 Comments of Sanitation**

Polokwane Municipality had high sanitation provision backlog of plus minus 68 000 households without having access to sanitation services in the 2021/22 financial year. The municipality had planned to construct 1800 VIP units in rural areas as part of addressing the backlog. The municipality did not achieve the set target, only 343 VIP units were constructed and handed over to the beneficiaries. The appointed service provider failed to perform, and the municipality had to terminate the contract. A further 388 urban sanitations was reported at the end of the 2021/22 financial year. In 2022/23 financial year the target to install 4017 was not met and only 91 units were constructed, a further three contractors were appointed in the 2023/24 financial year to construct 2160 VIP units for Sebayeng Dikgale cluster, 744 VIP units were completed in 2023/24 financial year and another contractor completed 1074 VIP units in Thakgalang Rural sanitation phase 1 in ward 37 that brings the total backlog to 65 360 in 2024/25.

## **3.4 ENERGY**

### **3.4.1 Introduction to Electricity**

The Municipality distributes electricity in the City/Seshego cluster while Eskom is the service provider in the rest of the Municipal area. The municipality has functions to provide, distribute and maintain electricity infrastructure in the City/Seshego cluster. Based on the huge electricity demand, the municipal villages are prioritized, approved by council and together with Eskom, we electrify the villages and townships as and where capacity is available.

The priority of the municipality is to minimise the electricity backlog, undertake energy efficiency programme, manage energy demand and upgrade electricity infrastructure (substations, lines and cables). The directorate offers Free Basic Electricity (FBE) and Free Basic Alternative Energy (FBAE). The municipality funds monthly KWh allocation of 100KWh in Polokwane City/Seshego and 50KWh in Eskom license area.

The management of installed small scale embedded energy (SSEG) and/or embedded energy generation (EG) in households and municipal buildings. Energy services in partnership with Department of Mineral Resources and Energy (DMRE) is responsible for mass Solar water geysers rollout to low-cost housing within the Polokwane City/Seshego area as well as electrification of low-cost housing developments in the entire area of jurisdiction of the municipality.

Cable theft is, to the detriment of the residents of the City and Seshego clusters, thriving in Polokwane to such an extent that there are many streetlights in City and Seshego clusters that are not working since the cables are stolen faster than it can be replaced. Preventative maintenance projects are also put on hold due to the funding for such projects being utilised to fund the replacing of vandalised networks. Theft of critical infrastructure has now spread to miniature substations, meter boxes and overhead line connector cables.

**TABLE 16: Energy Service Delivery Levels**

Energy Service Delivery Levels						
Description	2018/19	2019/20	2020/21	2021/2022	2022/23	2023/24
Energy:						
Electricity (at least min. service level)	233987	236 141	233372	235 385	234 516	235 793
Electricity - prepaid (min. service level)	49 642 in Polokwane licence area	51 682 in Polokwane licence area	52 851 in Polokwane licence area	39 680 TID compliant	58233 in Polokwane licence area with 49959 TID compliant	60016
Minimum Service Level and Above sub-total	233987	236 141	233372	235 385	234 516	235 7993
Electricity (< min. service level)	N/A	N/A	N/A	N/A	N/A	N/A
Electricity - prepaid (< min. service level)	N/A	N/A	N/A	N/A	N/A	N/A
Other energy sources. Free Basic Alternative Energy and Solar Water Geysers	944 (FBAE)	500 (FBAE)	500 (FBAE)	500 FBAE And 3482 SWG	500 FBAE And 4482 SWG	500 Solar Gel and lights 1300 Home solar systems and 14 213 SWG installed
Below Minimum Service Level sub-total	N/A	N/A	N/A	N/A	N/A	

Energy Service Delivery Levels													
Description		2018/19		2019/20		2020/21		2021/2022		2022/23		2023/24	
Total number of households		239 116		239 116		239 116		239 116 (98.4%) based on stats 2016		244 359 which brings us back to 95% as per IHS Global insight 2021		244 359	
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/2022		2022/23		2023/24			
		Target	Actual	Target	Actual	Target	Actual	Target	Actual				
Service Indicators													
(i)	(ii)												
Service Objective xxx													
eg. Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	2000	2 154	1700	2055	1500	2013	1500	1144	1247	1277		
Additional Indicators													
Percentage of electricity losses		10%	15%	10%	14%	10%	13%	12%	10,7%	10%	12.22%		

**TABLE 17: Employees Energy Service 2023/2024**

Employees Energy service 2022/2023					Employees Energy service 2023/2024				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	1	3	1	2	0-3	03	03	03	N/A
06	7	22	7	15	06	7	22	7	15
09	5	13	5	7	09	5	13	5	7
12					12				
13-15					13-15				
17					17-20				
Total									

**TABLE 18: Vacancies Budgeted in 2023/24**

Position	Number	Status 2020/21	Status 2021/22	Status 2022/23	2023/24
Manager Energy Planning and Development	1	Interviewed but not appointed	Advertised	Re-advertised and closed March 2023	Filled, and resigned October 2024
Secretary Energy Planning and Development	1	Advertised but not appointed	Advertised	Cancelled resubmitted for advert	Vacant
Manager Operations and Maintenance	1	Advertised but not appointed	Advertised	Re-advertised and closed March 2023	Advertised again closed December 2024
Senior Engineering Technician	1	Appointed		1 filled, 1 Retired (Must be advertised)	One filled, one vacant open from June 2024
Engineering Technician	1	Advertised but not appointed	Advertised	Re-advertised and closed March 2023	Filled
Senior Technical Assistant	2	1 advertised and filled, 1 not advertised	Advertised	Re-advertised and closed March 2023	Vacant from February 2024

Position	Number	Status 2020/21	Status 2021/22	Status 2022/23	2023/24
Meter Technicians	2	Interviewed but not filled	Advertised	Cancelled resubmitted for advert	
Electricians	10	Filled		filled	
Electricians	5	Filled		filled	
Linesman	4	Interviewed but not filled	Advertised	Cancelled resubmitted for advert	Advertised, closed December 24
General worker/artisan Assistant	26	Filled		filled	Filled
Foreman	1	0	1 vacant	Was on suspension and returned	Filled

**TABLE 19: Critical Positions Not Budgeted**

Position	Number	2020/21	2021/22	2022/23	2023/24
Senior Engineering Technician (Renewable Energy)	1	1	1	1	1
Engineering Technician (Renewable Energy)	4	4	4	4	1
Assistant Manager (Renewable Energy)	1	1	1	1	1
Assistant Manager Training	1	1	1	1	1

**TABLE 20: Capital Expenditure 2023/24: Energy Services**

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
<b>Directorate Energy Services - Energy Services</b>													
CWP_26	Director Energy Services	Energy Services: Planning and Development	Installation of Solar Street lights along Zebediel a road	Ward 08, 19	Percent	1 739 130	0	100%	Installation of 60 solar lights along Zebediela road	100%	None.	None	Picture of installed streetlights, completion certificate, closeout report, hand over certificate
CWP_27	Director Energy Services	Energy Services: Planning and Development	Installation of streetlights along Nelson Mandela Drive from Ext 74 Robots to Seshego Circle Mall (Removed by BRT Project)	Ward 08, 11, 14, 12,17, 37, 23	Percent	0	0	100%	Detailed designs completed up to tender stage	100%	None.	None	BOQ, Designs



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_29	Director Energy Services	Energy Services: Planning and Development	Installation of High Mast lights) (Rural Areas)	3, 6, 27, 31, and 34	Percent	4 032 648	3 013 980	100%	Delivering and installation of equipment. Installed 5 solar high mast lights in wards 3. 6, 27, 31, 35	10%	Bid advertised and closed February 2024	Regular monitoring of consultant, project to be done in phases in the outer years due to its cost.	Emails, budget for 2024/25Advert
CWP_30	Director Energy Services	Energy Services: Planning and Development	Design the upgrade SCADA and RTU	City	Percent	2 103 293	2 103 293	100%	Delivering and installation of equipment (Phase1)	80%	Consultant delays in detailed designs	Regular engagement with consultant to ensure designs are to correct specifications.	Phase one designs Control room and Gamma, Detailed designs, tender documents
CWP_31	Director Energy Services	Energy Services: Planning and Development	Install New Bakone to IOTA 66KV double circuit GOAT line	11, 12, 13, 14, 17, 37,	Percent	5 179 133	3 430 064	100%	Delivering and installation of equipment. Complete Phase 1 of the project	90%	Challenges in acquiring servitude for the line.	PMU to assist in process of servitude negotiations	New route, detailed designs, payment certificate, minutes

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_32	Director Energy Services	Energy Services: Planning and Development	Plant and Equipment	municipal wide	Percent	125 142	125 029	100%	Delivery of equipment	10%	Transversal Contracts can only acquire a normal 12meter cherry picker and we need a 23meter	To deviate on Transversal Contracts to buy a 23-meter cherry picker	Extension of time, opening registered. Advert
CWP_33	Director Energy Services	Energy Services: Planning and Development	Design and Construction of New Pietersburg 11kv substation	8, 14, 19	Percent	4 399 426	4 420 482	100%	Supply cables, RMU line constructed and substation fence completed	98%	Project was delayed by another Municipal project of constructing a bridge.	A new contractor has been identified to complete the project	Emails, approval, minutes, payment certificate, minutes
CWP_34	Director Energy Services	Energy Services: Planning and Development	Design and construction 66KV Distribution substation Matlala	Matlala substation	Percent	4 930 146	4 930 063	100%	Civil works 100% completed (phase 1)	80%	There were delays in acquiring land for the substation.	PMU to assist with Servitude negotiation	Detailed design, minutes of meetings, payment certificate.

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_35	Director Energy Services	Energy Services: Planning and Development	Design and construct 66kV line between Alpha and Matlala substations	between Alpha and Matlala substations	Percent	869 565	869 542	100%	Finalising servitudes and detailed designs	60%	There were delays in acquiring land for the substation.	PMU to assist with Servitude negotiation	minutes of meetings, presentations of preliminary designs
CWP_36	Director Energy Services	Energy Services: Planning and Development	Cherry Pickers x 5	Municipal wide	Percent	0	0	100%	Delivering of equipment	10%	Delays in compiling specification.	Regular monitoring and more meeting meetings to ensure specifications are done on time	Emails. opening
CWP_38	Director Energy Services	Energy Services: Planning and Development	Refurbishing of overhead networks in Ivydale	Ward 22	Percent	1 304 348	1 241 085	100%	Refurbishment of overhead lines as per the design	100%	None.	None	partial completion certificate, payment certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_39	Director Energy Services	Energy Services: Planning and Development	Energy Efficient Demand Side Management	Municipal Wide	Percent	3 478 261	3 473 228	100%	Completion of the project	94.5%	Delays by the contractor in procuring material for the project.	Regular monitoring of the contractor to prioritise our projects.	progress report, payment certificate, streetlights hand over certificate.
CWP_41	Director Energy Services	Energy Services: Planning and Development	Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 2 and phase 3)	13, Seshego Zone 8 Extension 133	Percent	15 329 293	15 324 047	100%	Completion of project	76%	Delays by the contractor in procuring material for the project.	Regular monitoring of contractor using PMBOK procedures	minutes of meetings, material delivery note, payment certificate, progress report, approved extension of time
CWP_43	Director Energy Services	Energy Services: Planning and Development	Retrofit Street Lights in the Municipal area with Solar lights	Main City Entrances (Landros Mare Street)	Percent	0	0	100%	Execution and project completion	10%	Delays in compiling specifications	Regular meetings to ensure specifications are done on time.	remittance/pro of of payment, advert, email to MMC

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_44	Director Energy Services	Energy Services: Planning and Development	Retrofit high mast lights with Solar lights	Rural Clusters high mast lights	Percent	224 348	224 311	100%	Completion of project	30%	Delays in compiling specifications.	Regular monitoring to ensure specifications are done with compliance to standards.	Quotations, payment, email
CWP_44(A)	Director Energy Services	Energy Services: Planning and Development	Installation of Solar System at the New Peter Mokaba Stadium	New Peter Mokaba Stadium	Percent	2 006 731	2 006 731	30%	Preliminary Designs and Final Designs	30%	None.	None	Detailed designs, payment certificate, roof analysis, revised site which is parking

### 3.4.2 Comment on Energy Services Projects Performance

In terms of electrification the biggest challenge is capacity provisioning and moving of voltage regulators by Eskom where projects have to be revised, approved by Department of Mineral Resources and Energy, then implemented. The moratorium on finances by National Treasury also let three out of four electrification projects to be rolled over. The capacity challenge let to 13 of the installed 15 High Mast Lights not to be energised. The municipality is busy negotiating with Eskom on this regard. The priority list with comments on capacity challenges is attached.

Polokwane is doing well in terms of plans to provide capacity where two substations appointed on multiyear are nearly completed and busy with designs on another two and the construction of 66KV line to complete a 66KV ring to ensure firm supply.

There is a grant roll out of solar water geysers (16 000) by the department of Mineral Resources and Energy in Polokwane of which 3000 units are installed, and further installations are continuing while the storage for the 16000 units are provided by the municipality.

The following are pictures of ongoing projects.

### 3.4.3 Construction of Bakone substation pictures



Gamma substation



### Electrification of Polokwane Extension 78



### 3.13 ROADS

#### 3.13.1 Introduction to Roads and Storm Water

Polokwane Municipality is characterised by radial road network of approximately 7 495km covering its area of jurisdiction whereby 1 489,13km is surfaced roads with approximately 6005,87km (80.1%) backlog of gravel roads. This is as per the recent inventory. This is due to the establishment of new developments both formal and informal settlements. It is situated at the point where National and Provincial roads converge from where they radiate out in all directions providing good regional accessibility.

The Municipality is faced with huge challenges in providing and maintaining the local roads at an acceptable standard which always ensures accessibility. Coupled with the latter, there are challenges with storm water management and control to an extent that it poses as threat to mobility, infrastructure and communities. The long term strategy of the municipality is to surface or pave roads within the municipal area in a phased approach. Based on high road backlog different strategies is implemented including preventative maintenance of the road infrastructure.

In the 2023/24 Financial year the Municipality has budgeted a total of **R172 713 895** for both the upgrading of arterial road as well as the paving of access roads in townships and rural areas which will have an impact in reducing backlog of gravel roads in those areas, The Polokwane Municipality has since advanced in terms of planning and designs of roads where the designs are no longer planned in concurrence with the implementation as this has been detrimental towards project's achievements. This figure of R172 713 895 is made up of the R22 167 999 that is funded by NDPG, R18 780 500 funded by MDRG and the balance of R131 765 396 was funded by IUDG

The Municipality has also derived a progressive way in relation to eradication of lengthy procurement process for acquiring consultants and contractors through appointments of panel of contractors and consultants on a fixed term basis.

The Municipality will also be upgrading some of the RAL roads as agreed with RAL. These roads are deemed necessary as they connect villages.

Council has also taken a decision to request RAL to transfer to the municipality all those roads that were either implemented or are being implemented by the municipality

Apart from clustering of yellow fleet, Polokwane Municipality has also developed a phased fleet replacement plan to overcome and eliminate the current aged machineries. During the 2023/24 financial year, The Municipality managed to procure two more new graders as part of phased fleet replacement plan. Most of the roads in Polokwane have exceeded their design life. The other challenge affecting the roads is the unavailability or the insufficiency of Storm water system.

The Municipality has identified five prime spots which are prone to frequent flooding upon each rainfall. The Engineers are at an advanced stage with regard to the study and finalization of detailed design for the upgrading of storm water infrastructure system along the prone areas.

The Municipality has further reserved funds for the 2024/2025 financial year to rehabilitate main access streets around the Central Business District and links to surrounding suburbs. The initiative to rehabilitate the deteriorating roads and storm water infrastructure is currently at an advanced stage where the contractor is heading towards accomplishing the project deliverables. The city of Polokwane will be able to attract more investments opportunities subsequently boost more job opportunity through the scheme for rehabilitating the strategic road around the entire city

The City of Polokwane is going an extra mile through partnering with other entities towards the growth and development of the city and surrounding suburbs. The city has through this initiative, managed to construct and complete a Non-Motorized Transport Infrastructure through KFW bank and Neighbourhood Development Partnership Grant whereby 5,022km of pedestrian and cycle lane has been constructed and accomplished through this partnership. The sidewalk is currently comprehended by the public at large and used frequently for physical wellbeing and pedestrian walk to work.



Traffic safety is one of Polokwane Municipality 's prime objective whereby the project for the installation of traffic lights at Southern Gateway intersection was completed successfully in 2023/2024. Traffic safety can be linked with the existing condition of roads in the municipal area. With increased road users, congestion has also increased in recent years and has now become problematic in the City/Seshego (especially the Munnik road to Mall of the North) and Mankweng clusters. In addition, road safety has become a concern with increasing accidents occurring on municipal roads. The Municipality has from the previous financial years approved three (3) speed humps per ward in areas that are critical, 10 speed humps have been constructed municipal wide. Traffic calming measures are still a problem on Provincial roads, a consultant has completed the designs of installation of traffic lights and signs at southern gateway intersection. Contractor is appointed and the project its completed

There is also an application of funding to upgrade roads form gravel to surface. This application was made to Infrastructure South Africa and is currently receiving attention.

### Classification of Roads

The Municipality has developed the Road Master Plan that has been approved by Council in 2014. This Master plan will be updated to include the incorporated area of Aganang. It was in anyway due for review and such will take place in the 2025/26 financial year.

The Roads Provincial Gazette was published, and roads authorities are familiar with their new Road Network. The Municipality is faced with huge challenges in providing and maintaining the local roads at an acceptable standard which always ensures accessibility. Coupled with the latter, there is a challenge with storm water management and control to an extent that it poses a threat to mobility, infrastructure and communities. The Municipality will develop storm water master plan in the 2025/26 financial year for municipal wide which will assist in planning and addressing storm water challenges that are faced by the Municipality.

The long-term strategy of the municipality is to surface and pave roads within the municipal area. Based on huge road backlog different strategies are implemented including preventative maintenance of the road infrastructure. In terms of the current analysis, City/Seshego and Mankweng Cluster have roads that deteriorated due to limited routine and preventative maintenance.

**Table 21: Gravel Road Infrastructure**

Gravel Road Infrastructure				Kilometers
Financial Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2019/20	6076.3km	0	27.98	1904.3km bladed and 97.6km re-gravelled
2020/21	6050.5	0	25.8	1940.6km of road bladed and 81.8km re-gravelled
2021/22	6027.55	0	22.95	2115,1km of road bladed and 89,2km re-gravelled

Gravel Road Infrastructure				Kilometers
Financial Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2022/23	6012.67	0	(6.88km), (3.24km Practically completed) and (4.76km from rollover) Total 14.88km	2657,3km of road bladed and 20,4km re-gravelled
2023/24	6005,87km	0	4.9km	3220.2km of road bladed and 69.4km regravelled

**Table 22: Asphalt and Paving Roads Infrastructure**

Asphalted Road Infrastructure					
	Total Asphalt and paving roads	New asphalt and paving roads	Existing asphalt and paving roads re-asphalted	Existing asphalt and paving roads re-sheeted	Asphalt and paving roads maintained m <sup>2</sup>
2018/19	1391,22	27.22	0	0	73 503.43 m <sup>2</sup>
2019/20	1419.2	27.98	2.5	0	41206.74 m <sup>2</sup>
2020/21	1445	25.8	0	0	38931.00 m <sup>2</sup>
2021/22	1467.95	22.95	1.3	0	48 797,35m <sup>2</sup>
2022/23	1482.83	14.88 as per Table 81	1.320km and (9.707 from rollover of urban concession) Total: 11.027km	0	47 590,72m <sup>2</sup>
2023/24	1489.13	4.9km	1.2km rehabilitated through Municipal Disaster Recovery Grant	0	57 600.38 m <sup>2</sup>

**Table 23: Cost of construction/maintenance**

Cost of construction/maintenance						
R`000						
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Re-worked	Maintained
2018/19		R177 255 000	R39 132 000	R177 255 000	R0	R 17 555 000.00
2019/20		R486 663 000	R 18 039 547.22	R486 663.000	R7 705 000	R 21 575348.85
2020/21		R398 216 214	R 18 390 416.66	398 216 214	0	R 24 800 000.00
2021/22		R277 276 144	R 13 738 032,63	R277 276 144	R39 706 077	R 34 016 401,81
2022/23		R133 579 371,00	R12 988 635,37	133 579 371	R 45 395 842	R15 837 553,00
2023/24		R 174 667 506,00	R 17 606 654.97	R 174 667 506,00	R14 280 000,00	R 14 378 493.71

**Table 24: Roads Service Delivery Objectives**

Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21		2021/22		2023/24	
		Targ et	Actu al	Targe t	Actu al	Targ et	Actu al	Targ et	Actu al	Targ et	Actual
Service Indicators											
(i)	(ii)										
Service Objective xxx											
Elimination of gravel roads	Kilometr es of gravel roads asphalted (Kilometr es of gravel road remainin g)	40	27.22 4	29.81	27.98	26.5	25.8	22	22.95	24	4.9

Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21		2021/22		2023/24	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators											
Development of municipal roads as required (Regravelling)	kms of municipal roads developed	78	129.4	73.2	97.6	75.3	81,8	87,8	89,2	0	69.4
Resealing		0	0	0	0	0	0	0	0	0	0
Rehabilitation		20	0	3.5	2.5	0	0	0.5	1,3	1.3	1.3
Widening		0	0	0	0	0	0	0	0	0	0
Blading		2090	2046.3	2400.00	1904.3	1900	1940,6	1900	2115,1	3000	3220,20
Upgraded to surface		40	27.224	29.81	27.98	26.5	25.8	22	22.95	24	4.9 Targeted over MTRE F target
Km storm water measures maintained		0	0	1.400	1,62	3,500	3,620	3,000	5,040,6	3,500	3,8968

Table 25: Employee roads 2023/24

Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies ( Full time equivalents
0-3	3	3	3	3.27	0-3	3	3	3	3.27
06	5	7	6	5.45	06	4	7	4	3.723
09	10	0	10	10.9	09	11	0	1	0.931

Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies ( Full time equivalents)
12	24	18	18	26.17	12	19	18	5	4.654
13-15	0	1	1	0	13-15	1	1	1	0.931
16-18	0	0	0	0	16-18	65	0	33	30.71
19-20	47	80	66	51.25	19-20	0	80	0	0
Total	89	109	104	97.048	Total	103	109	47	43.76

Table 26: Employees: Storm Water Services 2023/24

2022/23					2023/24				
Job Level	Employee No	Post No,	Employees No	Vacancies	Job Level	Employee No	Post No	Employees No	Vacancies ( Full time equivalents)
0-3	0	1	0	0	0	0	1	0	0
06-	0	2	2	0	2	0	2	0	0
09	0	10	3	2.3	9	0	10	10	9.31
12	0	15	16	3.223	14	0	15	14	13.02
13-15	0	0	0	0	0	0	0	0	0
16-18	0	0	0	0	0	0	0	33	30.72
19-20	6	36	7	8.03	18	22	36	0	0
TOTAL	8	65	12	13.553	55	22	65	57	53.05

**Table 27: Capital Expenditure 2023/24: Roads Services**

MULTI YEAR BUDGET CAPITAL PROGRAMME	FUNDING SOURCE	ORIGINAL BUDGET 2022/23	SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)	YEAR TO DATE TOTAL ACTUAL	Percentage Spent
Description		TOTAL	TOTAL	TOTAL	
Roads & StormWater	IUDG	R 80 950 851,00	R 59 538 457,25	R 59 181 236,69	99,40%
<b>Roads &amp; Storm water</b>	<b>IUDG</b>	<b>R 108 978 873,00</b>	<b>R 104 789 176,74</b>	<b>R 104 789 161,77</b>	<b>99,99%</b>
Roads & Storm water	<b>MDRG</b>	R 14 280 000,00	R0,00	R 5 736 405,11	52,5%
Roads & Storm water	<b>NDPG</b>	R 173 691 334,00	R 167 680 367,03	R 160 323 869,42	95,61%
Roads & Storm water	<b>CRR Assets</b>	R 15 951 488,00	R 15 583 795,00	R 14 471 306,15	92,86%
Roads & Storm water	<b>EPWP</b>	R 2 000 000,00	R 0,00	R 1 965 417,78	98,3%

MULTI YEAR BUDGET CAPITAL PROGRAMME	FUNDING SOURCE	ORIGINAL BUDGET 2022/23	SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)	YEAR TO DATE TOTAL ACTUAL	Percentage Spent
Description		TOTAL	TOTAL	TOTAL	
<b>Roads &amp; Stormwater</b>		<b>233 853 385</b>	<b>215 518 385</b>	<b>208 586 008</b>	<b>96,78%</b>
CRR Paving of internal street from Solomondale to D3997 (ward 32)	CRR		2 194 000	2 190 066	100%
Refurbishment of Damaged Road signage in the City	CRR	301 279	301 279	-	0%
Roads 20 ton Excavator	CRR	2 367 693		-	0%
Roads 4 Ton Truck	CRR	2 403 939	2 403 939	2 129 560	89%

<b>MULTI YEAR BUDGET CAPITAL PROGRAMME</b>	<b>FUNDING SOURCE</b>	<b>ORIGINAL BUDGET 2022/23</b>	<b>SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)</b>	<b>YEAR TO DATE TOTAL ACTUAL</b>	<b>Percentage Spent</b>
<b>Description</b>		<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	
Roads Motor Grader 6x4	CRR	5 153 307	5 153 307	5 026 961	98%
Upgrading of Storm Water in Seshego	CRR	291 902	291 902	291 902	100%
WIP Construction of Non-Motorised Transpor	CRR	4 420 174	4 420 174	4 419 569	100%
WIP Refurbishment of Street Names Boards	CRR	405 945	405 945	-0	0%
WIP Rehabilitation of streets in Seshego Cluster (Vukuphile)323	CRR	320 036	223 036	223 036	100%
WIP Upgrading of storm water system in municipal area (Vukuphil	CRR	287 213	190 213	190 213	100%
Paving of internal ring roads to university road in Toronto	IUDG	1 304 348		-	0%
Paving of internal streets in Seshego Cluster (Ward 14)	IUDG	4 347 826	4 230 461	4 232 237	100%
Paving of streets in Aganang Cluster (Ward 45) Paving of in	IUDG	4 347 826	3 752 936	3 752 936	100%
Paving of streets in Mankweng Cluster (Ward 7 and 27) Paving	IUDG	4 347 826	1 608 876	1 608 876	100%
Paving of streets in Moletjie Cluster (ward 35) (Paving of	IUDG	4 347 826	4 018 797	4 018 797	100%

<b>MULTI YEAR BUDGET CAPITAL PROGRAMME</b>	<b>FUNDING SOURCE</b>	<b>ORIGINAL BUDGET 2022/23</b>	<b>SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)</b>	<b>YEAR TO DATE TOTAL ACTUAL</b>	<b>Percentage Spent</b>
<b>Description</b>		<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	
Paving of streets in SDA1 (Paving of Dwars Street connectin	IUDG	4 347 826	3 990 688	3 988 912	100%
Paving of streets in Sebayeng /Dikgale Cluster (Ward 29) Pa	IUDG	4 347 826	4 827 022	4 827 022	100%
Paving of 54th and 58th avenue in Seshego Zone 2	IUDG	3 780 718	4 715 273	4 715 273	100%
Paving of 57th street in Seshego Zone 4	IUDG	5 293 006	14 456 268	14 456 268	100%
Paving of 67th	IUDG	5 293 006	1 733 900	1 733 900	100%
Paving of AKI streets in RDP section SDA1 (Lithuli)	IUDG	2 050 662	1 656 869	1 656 858	100%
Paving of Cebio and Lemur streets in Westernburg RDP Section Phase 2	IUDG	6 049 149	7 072 225	7 072 225	100%
Paving of internal street connecting 137th and Helen Joseph roads in Seshego Zon	IUDG	6 049 149	521 764	521 764	100%
Paving of internal street from Solomondale to D3997 (ward 32)	IUDG	3 024 575		-	0%
Paving of internal street from the hostel to Oliver Tambo Road in Seshego Zone 6	IUDG	5 293 006	3 313 356	3 313 356	100%
Paving of internal street in Gadikgale (Moshate)	IUDG	869 565	498 169	498 169	100%



<b>MULTI YEAR BUDGET CAPITAL PROGRAMME</b>	<b>FUNDING SOURCE</b>	<b>ORIGINAL BUDGET 2022/23</b>	<b>SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)</b>	<b>YEAR TO DATE TOTAL ACTUAL</b>	<b>Percentage Spent</b>
<b>Description</b>		<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	
Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road(ward 38)	IUDG	3 024 575	6 751 620	6 751 619	100%
Paving of internal streets at Mankgaile	IUDG	5 293 006	11 011 305	11 011 304	100%
Paving of internal streets in Mountain view	IUDG	1 739 130	4 839 728	4 839 728	100%
Planning for Paving of internal streets in Seshego Zone 5	IUDG	5 293 006	5 235 613	5 235 613	100%
Planning for Paving of internal streets in Seshego Zone 1	IUDG	4 626 888	7 130 644	7 130 644	100%
Rehabilitation of Crescent and Orient drive in Nirvana	IUDG	1 814 745		-	0%
Tarring of Road from Tshebela to Moshate	IUDG	4 536 862	8 846 514	8 846 513	100%
Upgrading of storm water in Polokwane ext. 76	IUDG	1 512 287	1 767 724	1 767 724	100%
Upgrading of Storm Water Storm Water in Sterpark; Flora Park	IUDG	2 268 431	342 458	342 458	100%
Upgrading of streets in Nirvana extension	IUDG	3 478 261	392 923	392 923	100%
WIP Construction of Storm Water in Ga Semanya3230	IUDG	2 937 618	417 515	417 515	100%
WIP Upgrading of arterial road from Ditshweneng to Maja Mosh	IUDG	2 823 063	796 451	796 451	100%

MULTI YEAR BUDGET CAPITAL PROGRAMME	FUNDING SOURCE	ORIGINAL BUDGET 2022/23	SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)	YEAR TO DATE TOTAL ACTUAL	Percentage Spent
Description		TOTAL	TOTAL	TOTAL	
WIP Upgrading of road from Ralema primary school via Krukutje	IUDG	3 780 718	860 074	860 074	100%
WIP Upgrading of Storm water Channel at Thutu Street at Ses	IUDG	756 143		-	0%
3240 Lining of Earth Channel Buite Clinic	MDRG		3 913 043	3 913 042	100%
WIP Blaauberg street between Flourspaar and Bulawayo	MDRG		7 634 783	4 885 785	64%
WIP Doloriet street between Blaauberg and Doloriet street	MDRG		4 782 609	2 096 121	44%
Construction of Access Roads	NDPG	869 565	19 276 521	19 249 355	0%
Construction of Safe Hub	NDPG	869 565		-	0%
WIP Hospital view additional roads	NDPG	4 559 409		-	100%
WIP Nelson Mandela Bo-okelo Crossing	NDPG	10 592 187	5 878 715	5 878 715	100%
WIP Stormwater Canal	NDPG	11 081 447	5 235 907	5 235 907	100%
Paving of access road to Molepo dam	IUDG		5 634 729	5 634 729	100%
Paving of access road to Seshego treatment works	IUDG		5 710 195	5 710 195	100%
RAL Completion of road from Phomolong to Makgwareng	IUDG	3 024 575	819 871	819 870	100%

MULTI YEAR BUDGET CAPITAL PROGRAMME	FUNDING SOURCE	ORIGINAL BUDGET 2022/23	SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)	YEAR TO DATE TOTAL ACTUAL	Percentage Spent
Description		TOTAL	TOTAL	TOTAL	
RAL Paving of streets in Molepo Maja Chuene Cluster(ward 2)	IUDG	4 347 826	3 586 845	3 586 844	100%
RAL Upgrading of access road in Ga Makgoba	IUDG	4 536 862	3 542 963	3 534 983	100%
RAL Upgrading of access Roads from Ga Thaba in Molepo Chuene	IUDG	5 179 584	458 736	458 736	100%
RAL Upgrading of arterial road D3383 in Setumong via Mahoai	IUDG	5 293 006	1 070 184	1 066 662	100%
RAL Upgrading of arterial road D3355 from Monotwane to Matla	IUDG	4 914 934	5 219 034	5 218 960	100%
RAL Upgrading of arterial road D3377 from Setumong to Dibeng	IUDG	500 000			0%
RAL Upgrading of arterial road from Moetagare into Setumong	IUDG	500 000	425 913	425 913	100%
RAL Upgrading of arterial road in Magongwa village from road	IUDG	3 024 575	334 000	333 412	100%
RAL Upgrading of arterial road in Tshware from Taxi rank via	IUDG	5 293 006	920 609	920 609	100%
RAL Upgrading of Boshega to Tshebela to Boyne Road	IUDG	4 536 862		-	0%

MULTI YEAR BUDGET CAPITAL PROGRAMME	FUNDING SOURCE	ORIGINAL BUDGET 2022/23	SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)	YEAR TO DATE TOTAL ACTUAL	Percentage Spent
Description		TOTAL	TOTAL	TOTAL	
RAL Upgrading of Internal Street in Ga Ujane to D3363 (ward	IUDG	3 780 718	4 347 331	4 318 237	99%
RAL Upgrading of road D3432 from Ga-Mosi (Gilead road) via Se	IUDG	2 260 869	6 263 643	6 203 904	99%
RAL Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	IUDG	4 536 862	552 976	537 464	97%
RAL Upgrading of road from Maja Moshate to Feke	IUDG	1 130 435	668 393	668 393	100%
RAL Upgrading of road from Mohlonong to Kalkspruit	IUDG	4 536 862	1 396 330	1 396 330	100%
RAL Upgrading of road from Monyoaneng to Lonsdale	IUDG	3 780 718	4 761 276	4 761 204	100%
RAL Upgrading of road from Nobody Traffic circle to Moshate	IUDG	3 780 718	763 302	763 302	100%
RAL Upgrading of road from Silicon to Matobole	IUDG	4 423 441	3 927 558	3 927 555	100%
RAL Upgrading of road from Spitzkop to Segwasi	IUDG	5 293 006	6 098 625	5 858 902	96%
RAL Upgrading of road from Titibe to Marobala and Makgoba	IUDG	4 536 862	1 000 000	999 086	100%
RAL Upgrading of road in ga Thoka from reservior to Makanye	IUDG	1 739 130	2 035 945	2 035 945	100%

MULTI YEAR BUDGET CAPITAL PROGRAMME	FUNDING SOURCE	ORIGINAL BUDGET 2022/23	SPECIAL ADJUSTMENTS BUDGET (Incl transfer of funds)	YEAR TO DATE TOTAL ACTUAL	Percentage Spent
Description		TOTAL	TOTAL	TOTAL	
RAL Upgrading of arterial road D3383 in Setumong via Mahoai	CRR				0%
RAL Upgrading of arterial road D3355 from Monotwane to Matla	CRR				0%
Refurbishment of Damaged Road signage in the City	CRR				0%

### 3.13.2 Comments of Roads and Storm Water (Public Transport Infrastructure Development) Performance

The Municipality surfaced 6,3km of road during the financial year with the aim of improving accessibility of services to the communities, rehabilitated 1,2km through Municipal Disaster Recovery Grant, 69.4km was re-graveled to at least improve accessibility to villages and 3220,20km of roads were bladed, 4 low level bridges constructed 10 speed humps constructed, 57 600,38 m<sup>2</sup> Pothole patched.

#### Speed calming measures



### Construction of Low level bridges



### Capital Programme



Paving of Internal streets in Seshego Zone 4

Rehabilitation of Blaauberg street

### 3.13.3 Waste Water (Storm water Drainage)

**Table 28: Storm water Infrastructure KM**

FY	Total storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2018/19	250	0	0	0
2019/20	250	0	0.310	1,620 km
2020/21	0	0.065km	0	3.62 km
2021/22	0,250065	4.537KM	0.27km	5,0406km
2022/23	0,4km	0,3km	0km	3,99505km
2023/24	0,0km	0,0km	0.46km	3,8968KM

**Table 29: Cost of Construction / Maintenance**

FY	Storm Water Measures		
	New	Upgraded	Maintained
2018/19	0	0	R 1 900 000.00
2019/20	1 000 000	R9 010 000	R 249 690.00
2020/21	R313 870.00	0.00	R 1 000 000.00
2021/22	R17 820 398	R 1 032 923.78	R 1 200 000.00
2022/23	R 0,00	R 0,00	R 1 300 000,00
2023/24	R0,00	R 2 576 982,96	R 1 214 530,00

### 3.5 WASTE MANAGEMENT

Waste management is one of the keys thrust that promote sustainable development. Provision of waste removal service is carried out mainly in the City, Seshego, Mankweng and Sebayeng areas. The municipality has two licensed landfill sites with eight transfer stations. The priority of the municipality is to extend the licensed Weltevreden landfill site to collect refuse, clean streets, recycling and undertake waste management awareness and education campaigns.

**Table 30: Solid Waste Service Delivery levels**

<b>Solid Waste Service delivery levels</b>				
<b>Description</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual no</b>
Solid waste removal (Minimum level)				
Removal at least once a week	103537	103682	<b>103 776</b>	104 200
Minimum service level and above sub- total	103537	103537	135197	135197
Minimum service level and above Percentage	N/A	N/A	N/A	N/A
Minimum service level and above Percentage	N/A	N/A	N/A	N/A
Solid waste removal (Below Minimum level)	N/A	135579	135197	135197
Removal less frequently than once a week	20	51	53	55
Using communal refuse dump (own dump)	135431	135579	135197	135197
Other rubbish disposal (community members)	N/A	N/A	N/A	N/A
No rubbish disposal	135431	135579	135144	135144
Below minimum service level sub total	135431	135579	135144	135144
Below minimum service level Percentage	57.0%	56.64%	56.84%	56.84%
Total Number of Households	239 116	2391 16	239116	239116

**Table 31: Solid Waste Service Delivery Level Below Minimum**

<b>Solid waste service delivery level below Minimum</b>				
<b>Description</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual No.</b>	<b>Actual no</b>
Formal settlements				
Households below minimum service level	135431	135579	135197	135197
Proportion of households below minimum service level	135431	135579	135197	135197
Total households	239116	239116	239116	249443
Informal settlements	3	3	2	1



Solid waste service delivery level below Minimum				
Description	2019/20	2020/21	2022/23	2023/24
	Actual No.	Actual No.	Actual No.	Actual no
households below minimum service level	N/A	N/A	N/A	N/A
proportion of households below minimum service level	N/A	N/A	N/A	N/A
Total households	239116	239116	239116	249443

**Table 32: Solid Waste Objectives Taken from the IDP**

Service Objectives	Outline Service Targets	2020/21		2022/23		2023/24	
		Target	Target	Actual	Target	Target	Actual No
Service Indicators							
(i)	(ii)						
Service Objective							
<i>e.g. Provision of weekly collection service per household (HH)</i>	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	0.06%	0.04%	0.9%	0.10%	0.17%	
<i>Proportion of waste that is recycled</i>	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	4.0%	5%	10%	5%	5%	

Service Objectives	Outline Service Targets	2020/21		2022/23		2023/24	
		Target	Target	Actual	Target	Target	Actual No
Service Indicators							
(i)	(ii)						
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	1	2	2	2	2	
Number of transfer stations maintained according to set standards calculated		3	8	8	7	7	

**Table 33: Employees: Solid Waste Management 2023/24**

Employees: Solid Waste Management 2022/23					Employees: Solid Waste Management 2023/24				
Job levels	Employee number	Post no	Employee no	Vacancies	Job Levels	Employee No	Post No	Employee No	Vacancies (Full time equivalents)
0-3	1	3	1	2	0-3	2	3	2	1
4-6	3	3	2	1	4-6	2	3	2	1
7-9	2	7	2	5	7-9	2	7	2	5
10-12	26	55	26	29	10-12	33	55	33	15
13-15	3	4	3	1	13-15	2	4	2	n/a
17	119	311	119	192	17	126	311	126	n/a
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	n/a
Total	156	383	155	383	Total	168	155	168	

**Table 34: Employees: Waste Disposal and Other Services 2023/24**

Employees: Waste Disposal and Other Services 2022/23					Employees: Waste Disposal and Other Services 2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	3	3	3	0	0-3	2	1	1	1
4-6	3	3	2	1	4-6	2	3	2	1
7-9	2	7	2	5	7-9	2	7	2	5
10-12	26	55	26	29	10-12	33	55	33	15
13-15	3	4	3	1	13-15	2	4	2	n/a
17	119	311	119	192	17	126	311	126	n/a
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	n/a
Total	156	383	153	383	Total	168	155	168	

**Table 35: Capital expenditure 2023/24: Waste Management Services**

No	Project name	Budget	Progress	Amount paid
1.	Extension of Landfill license (Weltevreden)	R1000 000.00	License issued	R1046 002.92
2.	Purchase of 240 litre bins	R1000 000	Project not completed and will re advertised	R0.00
3.	Purchase of 6&9m skip containers	R 1000 000.00	Completed	R1 484 744.30
4.	Ga-Maja Transfer station	R1000 000	Draft designs submitted	R953 537.63
5.	Ga-Chuene Transfer station	R1000 000	Draft designs submitted	R954 206.58
6.	Molepo Transfer station	R500 000	Designs completed	R 499 579.24
7.	Purchase of educational awareness equipment	R500 000	Project not completed and will be re budgeted	R0.00

No	Project name	Budget	Progress	Amount paid
8.	Construction of septic tank at Mankweng transfer station	R500 000	Project not completed and will be re budgeted	R0.00
9.	Purchase of No dumping boards	R500 000.00	Completed	R499 111.50

### 3.5.1 Comment on Waste Management Service Overall Performance:

The performance of the municipality in providing waste management services is still mainly limited to communities in urban areas such as City, Seshego, Mankweng and Sebayeng with total coverage of 43.46 % (103 919) of the total Households of 239116. In rural areas, only 53 villages are receiving waste collection together with EPWP Street cleaning service. Recycling of waste is minimal at Weltevreden and Aganang landfill sites and it is only done at the scale of 3% % of the total 14 000 tons' waste removed per month. The bulk of recycling is done through public private partnership by permitting local recycling companies to separate waste at source such as the Malls, shopping centres, Makro and from bulk communal containers in the city. Municipality procured front end loader plant equipment to address illegal dumping.

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### 3.6.1 Introduction to Free Basic Services and Indigent Support

The provision of free basic water in Polokwane Municipality is determined by the Indigent Policy and households are provided with 6kl of water. The challenge with the implementation of free basic water and support of indigent households is that it is visible only in established townships (City, Seshego and Westernburg) were 7820 are benefiting and other areas receive free water. The provisions of free water occur as the municipality has not implemented any cost recovery strategies in rural areas where there is full service.

Free basic electricity is the amount of electricity which is deemed sufficient to provide basic electricity services to poor households (50kw). The provision of free basic electricity is performed by both the municipality and ESKOM. 8400 and 16525 receive free basic electricity in municipal and Eskom licensed areas. 2555 receive free solar panels.

**TABLE 36: Free Basic Water and Electricity**

Basic service	The limited amount	Free basic services provided	Rural/Urban	Number Customers
Water				
Water	6kl per month	47 villages received free monthly diesel  68 villages receive free Water supplied by Lepelle Water Board	Rural	All households in rural areas

Basic service	The limited amount	Free basic services provided	Rural/Urban	Number Customers
		72villages receive free water supplied by boreholes		
	The limited amount	Free basic services provided	Number Customers	The level and standard
Eskom Area	R34,08 VAT inclusive per month	21 393	Rural	50kWh Above RDP standard (20 amp connections)
Municipal License Area	R38.19 VAT inclusive per customer	8169	Urban	100 kWh (20 amp connections)-
Non-grid Customers	R60.00 VAT inclusive per customer	1110	Rural	RDP standard

### 3.7 HUMAN SETTLEMENT

The SBU is supported by the Manager who has three (3) Assistant Managers: Housing Beneficiary Management & Administration, Housing Policy & Strategic Planning and Programme Implementation and Quality Assurance, each section has its own specific areas that it needs to deal with service delivery. One of the conditions of approval of Level 2 Housing Accreditation is that the Municipality should develop a fully-fledged Human Settlement Unit, a new structure is approved by Council.

#### 3.7.1 HUMAN SETTLEMENT UNIT STATUS QUO

Whereas section 153 of the Constitution (Act 108 of 1996) compels municipalities to structure and manage themselves (administration, planning, budgeting) so as to ensue effective response to the basic and developmental needs of communities, the City finds itself in an unprecedented position. Difficult conditions of the world have negatively impacted on the already struggling economic landscape of the country. Population growth, unemployment and constrained fiscal resources creates this complex matrix where the pace of human settlement and housing delivery seems slow in relation of the need.

In addition, the circular migration and steady urbanisation rates of the City in relation of limited resources for infrastructure and housing delivery has led to some housing conditions not envisaged in the Constitutions. New urban lodgers are finding themselves in backyard and overcrowded housing conditions.

##### 3.7.1.1 HUMAN SETTLEMENT PLAN

Polokwane Municipality, as the economic hub of the province is experiencing population growth which results in the influx of the people from rural areas into the urban parts of the municipality. This influx has necessitated an increase in the provision of housing and other basic services that promote integrated sustainable human settlement. In contributing towards the achievement of outcome 8 objectives and building of integrated sustainable human settlement, the city of Polokwane has developed and adopted Human Settlement Plan (HSP),

The Human Settlement Plan is the anchor of human settlements and housing provision across the City. Over the past years, in line with the IDP, the City developed and annually reviewed the five-year Human Settlement Plan, which presents human settlement and housing realities of the City and identifies strategies for addressing prevalent

housing policy gaps. The HSP has coordinated a variety of programmes that delivered different housing opportunities to different income groups.

- Over the past three financial year (2021/2022, 2022/2023, and 2023/2024) more than 3 256 housing opportunities were provided.
- In addition, the existing housing conditions of approximately 1 500 families in Seshego were improved through the asbestos removal project; and
- **Informal settlement upgrading:** the remaining two informal settlements were upgraded through relocation to formal Townships. Approximately 711 households of Seshego F (Freedom Park) and Polokwane Ext 106 were allocated stands at Polokwane Ext 126 and 127. In the financial year 2023/2024, a total of 256 top structure were built.
- **Military Veterans** – the Council also donated 50 residential sites at Polokwane Ext 78.

Also, it continues to play an important role in housing thousands of household development by ensuring the provision of basic services, coordinating the implementation of housing projects, to ensure the construction of quality and habitable housing structures; also, plan has developed to serve as a planning tool that will be used to guide processing during the settlement of potential and qualifying beneficiaries on demarcated erven respective townships

### 3.7.1.2 HUMAN SETTLEMENT CORE FUNCTIONS

In 2004, the City developed a municipal housing demand database which was upgraded in 2008/2009 and in 2011/12 financial years. Currently the Municipality is migrating its housing data to the new **National Housing Needs Register (NHNR)**. **With the migration still in process and new registration, the need for housing assistance is counting at 53 275 which is an increase of approximately 3 743, about 0.075% increase (Source: NHNR)**. An overwhelming majority of families have a monthly income of less than R3 500.

The Municipality continues to play an important role in facilitating access to adequate housing and equality creating integrated and sustainable human settlements. Working together with various stakeholder, the City has established various integrated human settlement and progressively builds its capacity. The following integrated human settlement have been established in recent financial years (2017/2018 – 2019/2020):

- Polokwane Extension 126
- Polokwane Extension 127
- Polokwane Extension 133 and
- Polokwane Extension 134

#### Incremental Housing Delivery

Polokwane ext. 133, since 2018/2019 financial year, the Municipality has provided 2304 housing opportunity (serviced stands). In the previous financial years, a total of approximately 1450 housing were built and approximately 450 houses were built in ext. 134 and 206 houses were built in ext. 126 and 127 respectively.

#### Rural Housing Delivery

Working together with Department of Cooperative Government, Human Settlement and Traditional Affairs, the Provincial Housing Development Agency, and Tribal Authority, The Municipality received approximately 200 units for rural areas developmental areas for 2022/2023 financial years

**Social/affordable rental housing** need is managed by the municipal entity (Polokwane Housing Association) and at present there is no current market study conducted. The municipality requested SHRA to appoint a service provider to do a social/rental housing market survey.

In creating a conducive environment for the development of Social Housing/affordable rental accommodation, the municipality-designated **Restructuring Zones** which were promulgated by the Minister of Human Settlement. The Zones are:

- Polokwane Extensions

- Annadale
- Bendor
- CBD and Surroundings

In 2018, the Municipality signed a land availability agreement with PHA as a Social Housing Institution (SHI), where several pieces of land which fall within the restructuring zones were made available to the SHI for development. The pieces of land are as follows:

- Erf 513, 514 and 515 (consolidated into Erf 525) Annadale Ext 2
- Erf 15953 and 15954 Ext 76 consolidated into 40206)
- Erf 23145 Ext 108
- Erf 20802 -20815, 20817 – 20821 Ext 106

Polokwane Housing Association is currently managing 697 rental units of which 508 are social housing and 189 are Community Residential Units (CRU).

**Housing Supply** is relatively low in relation to the demand. This is due to diverse housing backlog (i.e. tenure backlog, land development, infrastructure investment, top structure). In the previous financial year (2023/2024) the City received a total of 641 units under the rural housing programme. A further 494 social housing units were developed in the 2019/2020 financial year, stalled by the national lockdown, completed in November 2022 is yet to be tenanted. In the rural areas of the city, the backlog is estimated that between 3 000 and 5 000 units. The low-income property market is still locked. Tenure security backlog on formalised public Townships (old and new) is around 3 038 units. A further estimate of ±100 families in the Seshego area (Seshego E) that requires housing intervention through the consolidation housing programme.

Informal settlement upgrading programme is progressing. The programme is in Phase 3 (top structure). To-date 256 top structures were built in the financial year 2023/2024 for households at Ext 127.

The Mankweng F informal settlements is within the PSHDA: R71 Corridor. It is within a formalised Township of Mankweng F (on an Educational Erf). It has about 50 households who were relocated from a flood line (between Mankweng E and F Townships) in 2008. However, the relocated families have since built brick structure. There are domestic water connections and pit latrines.

**Asbestos** removal programme is the National and Provincial Department 's plan to eradicate asbestos roofs in the country. The asbestos materials have been banned in south Africa since 2008. There are many asbestos-containing materials that are still in use today. Exposure to asbestos/ asbestos fiber can lead to many health complications which at the most are fatal and affect the respiratory organ, being the lung. Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) appointed Housing Development Agency (HDA) as an Implementing Agent to manage the 1st phase of the Implementation of the 1500 Asbestos Roofing replacement project within Seshego Townships, and the balance of the units are to be implemented on the next two phase to follow

Most of the damaged house are in wards 12, 13, 17 and 37. Below is the number of beneficiaries in the four wards:

- 1) Ward 12 - 227
  - 2) Ward 13 - 788
  - 3) Ward 17 - 540
  - 4) Ward 37 - 700
- Total      2255

### 3.7.2 HOUSING CHALLENGES

The City's housing environment is made up of urban and rural settlements. Despite all efforts, a variety of institutional and environmental challenges continue to exist, namely:

- **Growing housing demand in relation to supply** due to a variety of factors including new family formation, unemployment, limited financial resources to deliver at scale.
- **Unemployment:** which means households are unable to invest in their own housing needs.
- **Unplanned/unsustainable human settlements on the urban edge:** several communities are dysfunctional in a sense that such communities are located in areas without basic services, far from economic activities, social amenities.
- **Well-located land is expensive:** publicly owned strategically located land is relatively low. Acquiring privately owned land is overwhelming and expensive. On the other hand, planning requirements and geotechnical challenges limits delivery at scale;
- **Human Settlements Development Grants (to municipalities) constraints:** fluctuating HSDG (allocation) to municipality does not allow a steady delivery peak.
- **Unsustainable social housing entity (PHA):** The Municipal social housing entity is continuously struggling to stabilize. The huge debt of rentals owed to the entity makes it difficult for the entity to thrive.
- **Insufficient human capital:** which is influenced by several factors including increasing population, the increased Municipal jurisdiction, and the process of transferring housing functions (Municipal housing accreditation) to the Municipality. A few activities/projects that emerged have evidenced that the City is lacking in terms of human resources to manage and coordinate human settlements and housing delivery.
- **Institutional capacity building:** the evolution of national housing policy as well as the accreditation of the City demands enhancement of existing skills and knowledge, as new functions and systems of operation are adopted by the City.
- **Unoccupied houses due to untraceable beneficiaries:** unoccupied houses appear to be a perpetual challenge facing the city. It undermines all the financial efforts of the State in promoting the Constitutional rights of the people.
- **Planning alignment:** there is a need for improved planning and alignment of delivery plans and prioritization of projects between the city and provincial housing sector Department.
- **Unsigned implementation protocol:** which is necessary to expedite and put to motion the housing accreditation of the city and therefore fast-track housing service delivery.
- **Urban planning and approval processes are slow and frustrating:** prescribed urban planning and approval processes are overwhelming.
- **Insufficient bulk infrastructure:** The City is growing at a rate faster than that of infrastructure investment. As such some infrastructure is constrained (sewer plants, water storage, electrical transmission).
- **Lack of proper roads and storm water drainage infrastructure in newly established Townships:** it has now become a norm that newly established townships do not have surfaced roads and storm water drainage system, and this leads to flooding some areas during heavy seasons;
- **Limited affordable housing stock:** there is a severe shortage of affordable housing stock for middle-income groups.

### 3.7.2.1 PRIORITY HUMAN SETTLEMENT AND HOUSING DEVELOPMENT AREAS (PHSHDA)

It is true that the city inherited some dysfunctional spatial pattern and continues to see some depressed human settlements in an around the urban edges of the city. The rapid urbanisation, unemployment, population growth, slow infrastructure investment has forced people to live in unplanned areas without basic infrastructure and social amenities.

To deal with this challenge, following the National spatial transformation and consolidation framework, the city has identified and demarcated locations as Priority Human Settlements and Housing Development Areas (PHSHDAs). This is a national spatial transformation approach to building new, integrated, functional, and inclusive settlements.

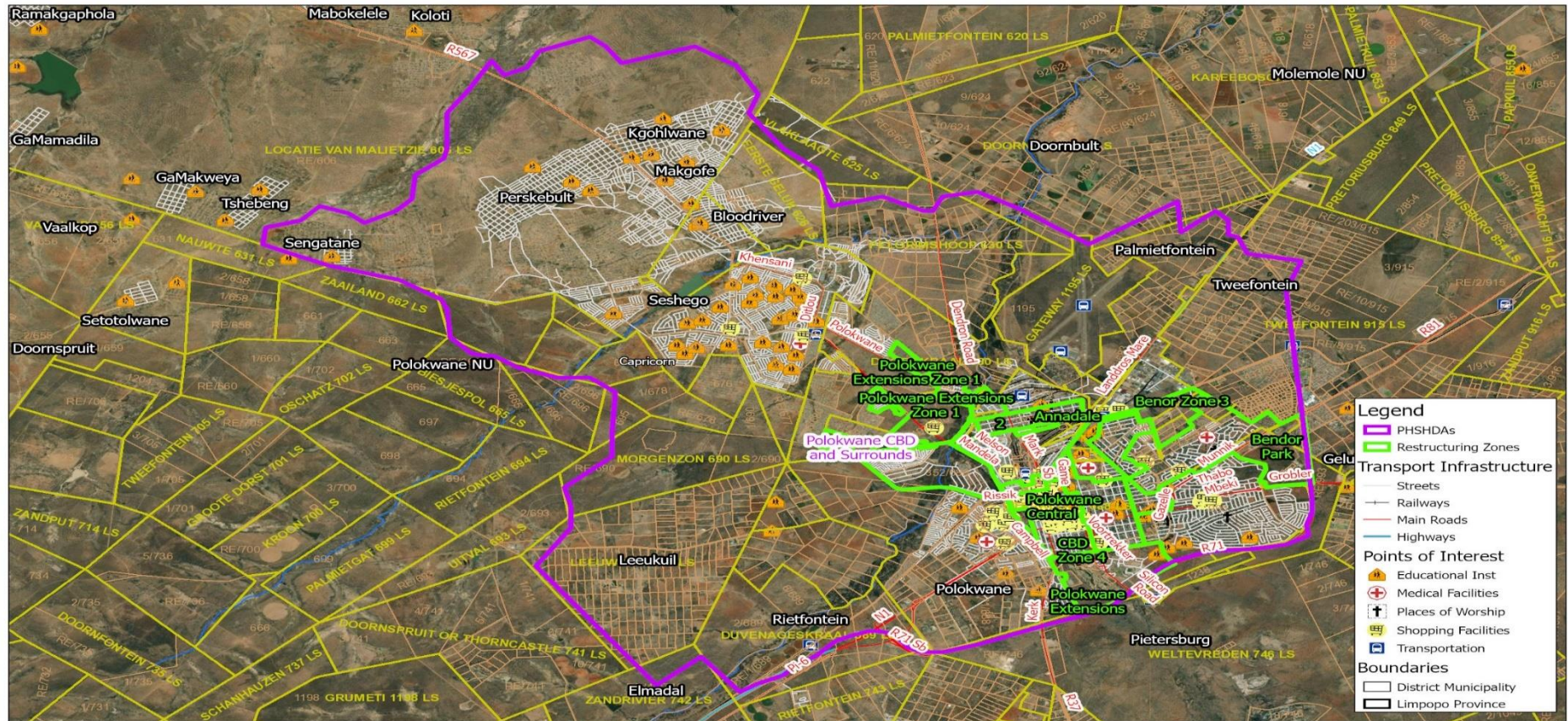
The programme intends to support Municipalities to prioritize housing development applications in terms of SPLUMA thus directing housing finance to areas that promote an inclusive residential market instead of further segregating people by income, race, and gender. This should enable the city to consolidate and access funding to deal, in an integrated manner with the Human Settlement needs of such identified communities, the identified PHDAs of the City include



- **Polokwane CBD and surrounding** – extending from the South-western gateway of Polokwane covering Polokwane Extensions,
- **Polokwane R71 corridor** extending from the eastern Polokwane along the R71, covering Dalmada AH, Mamahule, Nobody, running through to Boyne,

These Priority Human Settlements and Housing Development Areas are experiencing fast growth and somewhat unplanned development. Transforming these regions is crucial in the overall objective of creating integrated and sustainable human settlements. The Housing Development Agency (HDA) facilitated the development plans for the two PSHDAs.

Figure A: Polokwane CBD and Surrounding




**human settlements**  
 Department:  
 Human Settlements  
 REPUBLIC OF SOUTH AFRICA


**HDA**  
 HOUSING DEVELOPMENT AGENCY

DISCLAIMER: Whilst all possible care and attention has been taken in the production of this map, the HDA cannot accept any liability whatsoever for any perceived inaccuracies or misrepresentation of the information shown on this map.

Polokwane CBD and Surrounds, Polokwane Local Municipality, Limpopo

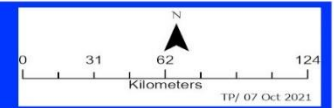
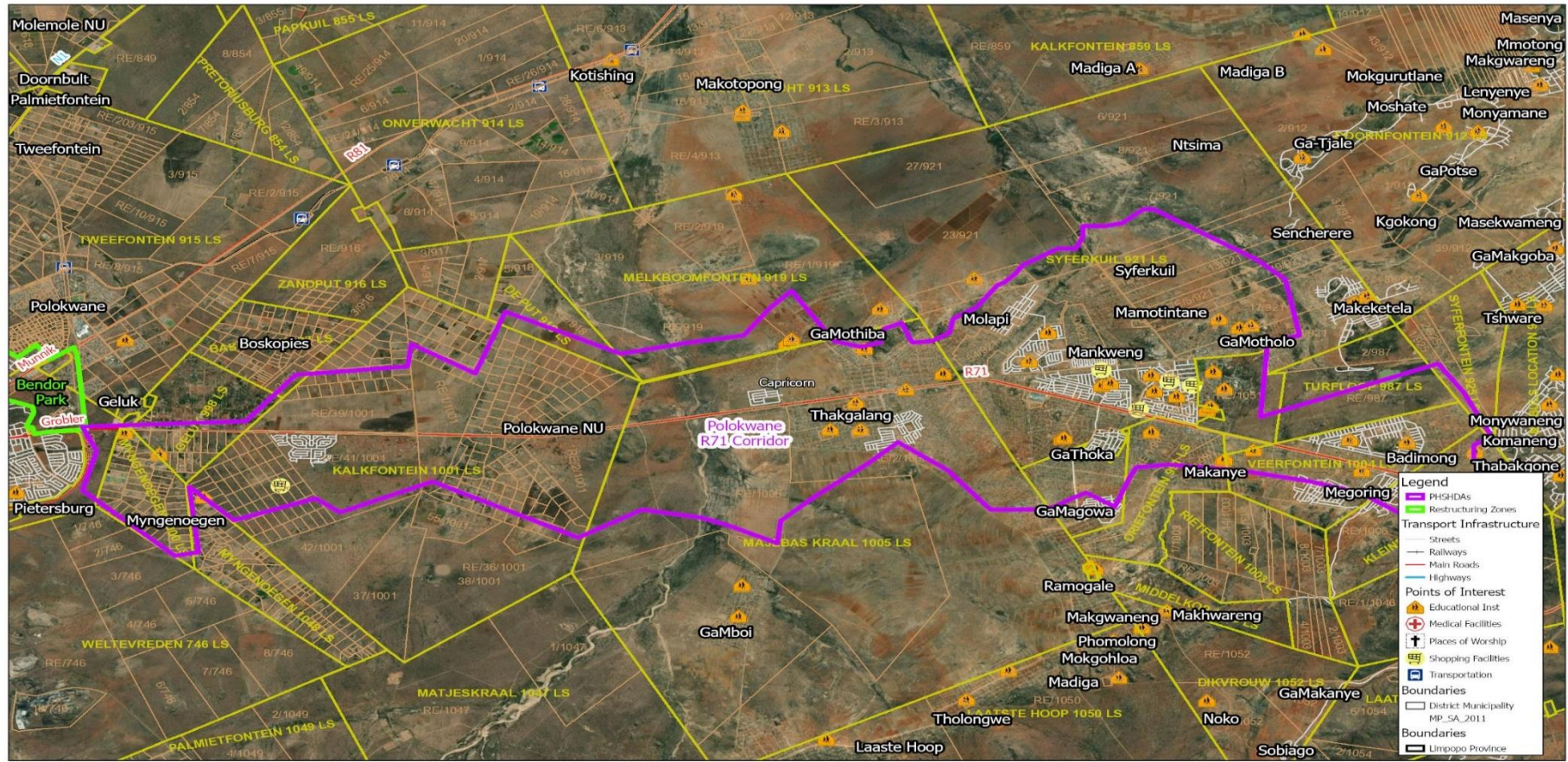


Figure B: Polokwane R71 Corridor





**human settlements**  
 Department:  
 Human Settlements  
 REPUBLIC OF SOUTH AFRICA


**HDA**  
 HUMAN SETTLEMENTS DEVELOPMENT AGENCY

DISCLAIMER: Whilst all possible care and attention has been taken in the production of this map the HDA cannot accept any liability whatsoever for any perceived inaccuracies or misrepresentation of the information shown on this map.

Polokwane R71 Corridor, Polokwane Local Municipality, Limpopo

  
 0 31 62 124  
 Kilometers  
 17/07 Oct 2021

### 3.7.2.2 OPPORTUNITIES TO MITIGATE CHALLENGES

The Municipality encourages the Brownfield development and discourages Greenfield developments. This initiative of brownfield development encourages densifying the existing land available for various use. Through spatial planning policies analyses, the development of the land will help alleviate the increase demand for housing, including the gap market and student accommodation around the City.

**Table 37: Medium term long opportunities for housing delivery**

PROPERTY DESCRIPTION	PROGRAMMES	TARGET	STATUS
<b>Polokwane Ext 72</b>	Sites reserved for middle- and high-income earners  First Home Finance and Subsidy Assistance (FHFSAs) and open market)	800 (Res 1)	<ul style="list-style-type: none"> <li>• Township proclaimed</li> <li>• Services installed (Water and Sanitation).</li> </ul>
<b>Polokwane Ext 78</b>	IRDP (low, medium to high density)  (FHFSAs) and open market)	1 137 (Res 1)  5 X Res 2  7 X Res 3  2 X Bus 3	<ul style="list-style-type: none"> <li>• Township proclaimed,</li> <li>• Services installed (Water, sewer, electricity)</li> </ul> <p>Only sites earmarked for middle to high income are yet to be sold.</p>
<b>Polokwane Ext 79</b>	IRDP (middle- and high-income earners)  (FHFSAs) and open market)	500 (Res 1)	<ul style="list-style-type: none"> <li>• Township proclaimed</li> <li>• Services installed.</li> </ul>
<b>Ext 133</b>	Integrated Residential Development Programme (IRDP)	2 969 (Res 1)	<ul style="list-style-type: none"> <li>• Township proclaimed</li> <li>• Site allocated</li> <li>• Services installed (Water and Sanitation, electricity infrastructure is currently being installed)</li> </ul> <p>Construction of low-income houses is in phases</p>
<b>Polokwane Ext 126</b>	ISUP	497 (Res 1)	<ul style="list-style-type: none"> <li>• Township proclaimed</li> <li>• Services installed (Water and Sanitation).</li> <li>• Site allocated</li> </ul> <p>Construction of low-income houses is in phases</p>

PROPERTY DESCRIPTION	PROGRAMMES	TARGET	STATUS
Polokwane Ext 127	ISUP	497	<ul style="list-style-type: none"> <li>Township proclaimed</li> <li>Services installed (Water and Sanitation).</li> <li>Site allocated</li> </ul> <p>Construction of low-income houses is in phases</p>
Polokwane Ext 76 (Erf 40206)	Social housing	240 units	<ul style="list-style-type: none"> <li>Township completed</li> <li>Bulk services (water, sanitation, electricity)</li> </ul> <p>The regulator (SHRA) raised and issue with the appointment of service provider. The project will be advertised</p>
Annadale Ext 2	Social Housing	494	<ul style="list-style-type: none"> <li>Township complete</li> <li>Services installed (water, sanitation, electricity)</li> <li>Practical completion done</li> <li>Client is processing application for occupation certificate</li> </ul>
Polokwane Ext 108 and 106	Social housing (medium to high density)	19 x Res 3 Ext 106  1 x Bus 3 in Ext 108 (Erf 23145)	<ul style="list-style-type: none"> <li>Township complete</li> <li>Bulk services installed (water, sanitation, electricity)</li> </ul> <p>PHA to plan on the land parcels</p>
Ext 134	Integrated Residential Development Programme IRDP	1 399 low  1 163 Middle to high income sites	<ul style="list-style-type: none"> <li>Township complete</li> <li>Bulk services installed (water, sanitation)</li> <li>400 low-cost units are built</li> </ul> <p>Only sites earmarked for middle to high income are yet to be sold.</p>
Kingdom Park	IRDP	± 7000	<ul style="list-style-type: none"> <li>Township approved by MPT</li> </ul>
Pietersburg 40 (Phase 3)	IRDP	-	<ul style="list-style-type: none"> <li>Township established.</li> <li>Municipality intends to subdivide the sites.</li> </ul>

Source: Polokwane Municipality: Human Settlement SBU

Table 38: Long term opportunities for housing delivery

Property Description	Extent	Ownership	Proclamation Status	Proposed Development
Ptn 75 of Ivydale Agricultural Holdings	4.96112 Ha	Municipality	Farm	Mixed Housing Development
179 Sterkloop LS	83 ha	Municipal	Farm	Mixed Housing Development
Pilgrimshoop 1,2,3,5	92.6 ha	Municipality	Farm	Mixed housing development

Source: Polokwane Municipality: Human Settlement SBU

### 3.7.3. TENURE UPGRADING

Secure tenure is a central part of the housing development process. The municipality in collaboration with CoGHSTA is running a programme of Township upgrading, Title Deed restoration and registration. Incomplete Township in the areas of Seshego and Mankweng are currently finalised and proclaimed. Through the Title Deed restoration programme, focus is placed on the following long Townships which are long overdue:

- Westenburg
- Annandale
- Nirvana
- Seshego
- Mankweng and
- Sebayeng.

#### 3.7.3.1 Title Deeds backlog

Table 39: Title Deeds Backlog

TOWNSHIP NAME	SUBSIDIZED UNITS	TRANSFERRED	OUTSTANDING	CURRENT ALLOCATION
WESTENBURG (RDP)	968	959	9	0
EXT 44	1501	1479	20	0
EXT 40	393	393	0	0
EXT.40 NEW PROJECT	116	116	0	0
EXT.40 NEW PROJECT	29	0	0	29
EXT 71	1109	1098	11	0
EXT 73	569	565	4	0
EXT 75	492	491	1	0
EXT 76	1327	1325	2	0
ZONE AX1	738	594	144	0
ZONE 5	862	617	244	1
ZONE H	21	0	21	0
ZONE 6A -8148	257	141	116	116
ZONE 6B -8147	49	20	29	29

TOWNSHIP NAME	SUBSIDIZED UNITS	TRANSFERRED	OUTSTANDING	CURRENT ALLOCATION
ZONE 6 (MOHLAKANENG)	133	95	41	41
ZONE B (LEPAKENG)	120	0	0	120
ZONE A EXT (MPHONEGELE)	12	0	12	0
ZONE C (MOKABAPARK)	74	23	51	26
ZONE C (MOLEPOPARK)	31	8	23	13
ZONE C (SAMUEL THEMA)	101	0	101	0
LITHULI 9A	517	512	5	0
LITHULI 9F	240	228	12	0
LITHULI 9G	320	302	18	18
LITHULI 9H	212	201	11	0
LITHULI 9L	1064	1006	58	
SEBAYENG B	500	453	47	0
MANKWENG UNIT G	377	0	377	0
MANKWENG E	94	9	85	0
MANKWENG F EXT 2	297	0	297	0
MANKWENG G EXT 1	503	0	503	0
MANKWENG C	1	0	1	0
EXT 106	130	130	0	0
EXT. 78	1625	1530	95	0
ZONE D (BIKOPARK) 1397/01-33 (1400 - 1788)	26 152	0 0	26 152	0 0
SESHEGO A X2 HOSPITAL VIEW	477	0	477	0
ANNADALE	18	18	0	0
EXT 133	1018	1018	0	0
EXT.133	130	5	125	0
WESTENBURG (EEDBS)	263	197	66	10
EXT. 127	257	0	257	0
EXT.134	413	413	0	0

### 3.7.4 HOUSING ACCREDITATION

Housing Accreditation is a progressive process of building Government capacity thereby transferring housing functions from the Provincial to the Local Government sphere. The aim is to provide an opportunity for Polokwane Municipality to plan, execute and expedite housing service delivery. The process unfolds in three stages, where each stage is linked to institutional capacity of the municipality to undertake specified housing functions. Thus, municipalities should demonstrate capacity to undertake housing functions attached to the level of accreditation. Polokwane is accredited to perform level 2 housing functions which are amongst others:

- ✓ Project evaluation and approval,
- ✓ contract administration,
- ✓ subsidy registration,
- ✓ programme management including cash flow projection and management.

- ✓ and technical (construction) quality assurance.

#### EMPLOYEES HOUSING SERVICES 2023/2024

Employees, Human Settlement				Employees, Human Settlement			
2022/23				2023/24			
Job level	Employees no.	Vacancies (fulltime equivalent no.	Vacancies (as % of total posts) %	Job level	Employees no.	Vacancies (fulltime equivalent no.	Vacancies (as % of total posts) %
0-3	5	4	1	0-3	5	4	1
06	10	5	5	06	10	5	5
09	33	15	18	09	33	15	18
12	3	1	2	12	3	1	2
13-15	0	0	0	13-15	0	0	0
17	3	2	1	17	3	2	1
total	54	27	27	total	54	27	27

#### 3.7.11 Building Inspection Unit

To ensure compliance and enforcement of the National Building Regulations and Building Standards Act 103 of 1977 in the jurisdiction of the Polokwane Municipality. The National Building Regulations and Building Standards Act provides for promotion of uniformity in the law relating to the erection of buildings and to ensure general health and safety of the public in so far as they relate to the erection of buildings. The Building Inspectorate Unit ensures compliance to the National Building Regulations and Building Standards Act 103 of 1977 by:

- Managing the Building Plans Approval process
- Processing of other related applications. Hoarding, Demolition and other applications
- Conduction of Planned Building and Drainage Inspections and Routine Inspections are carried out on a daily basis to deal with illegal buildings and building rubble.
- Contravention notices are issued to those that do not comply. Failure to comply to Contravention Notices leads to legal action being instituted against the offenders
- Ensure that health and safety procedures are Adhered to:
- Issuing of Occupation Certificates to completed structures
- Building Rubble Management
- Submission of Monthly Statistic to Stats SA
- The Unit also facilitates the applications and payments of Water Connections

#### 3.7.12 Challenges – Building Inspectorate

- Poor Management of filling systems and record management of building plans
- Manual approval of Building plans and issuance of Occupation Certificate

#### 3.7.13 Building Plans Received and Approved

**Table: Building plan received and approved during the 2023/2024 Financial year**

1. The following applications were received and/or successfully completed during 2023/24 FY

**Table 40: Applications**



DESCRIPTION	July to September 2023	October to December 2023	January to March 2024	April to June 2024	Total 2023/2024
Building plans received	261	261	219	232	973
Building plans approved	227	200	205	189	821
Occupation certificate applications received	127	161	73	144	505
Occupation certificates approved	112	109	84	67	372
Demolition applications received	5	8	5	8	26
Demolition applications issued	5	7	3	7	22
Pavement Deposit Refunds received	40	38	34	47	159
Pavement Deposit Refunds approved	26	26	23	42	117

### 3.7.12 Challenges – Building Inspectorate

- Poor Management of filing systems and record management of building plans
- Manual approval of Building plans and issuance of Occupation Certificate

### 3.7.13 Building Plans Received and Approved

Table: Building plan received and approved during the 2023/2024 Financial year

2. The following applications were received and/or successfully completed during 2023/24 FY

Table 41: Applications

DESCRIPTION	July to September 2023	October to December 2023	January to March 2024	April to June 2024	Total 2023/2024
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Building plans approved	227	200	205	189	821
Occupation certificate applications received	127	161	73	144	505
Occupation certificates approved	112	109	84	67	372
Demolition applications received	5	8	5	8	26

DESCRIPTION	July to September 2023	October to December 2023	January to March 2024	April to June 2024	Total 2023/2024
Demolition applications issued	5	7	3	7	22
Pavement Deposit Refunds received	40	38	34	47	159
Pavement Deposit Refunds approved	26	26	23	42	117

### 3.8 PROPERTY MANAGEMENT

#### The Core Function of the Unit

The core function of the Strategic Business Unit Property Management is the Management of Municipal Immovable Properties and property rights transfer in general. The Strategic Business Units deals with the generating of the Portfolio/Council report for:

- Property acquisition
- Property disposal – (Lease, sale, donation)
- Registration of servitudes
- Policy development
- Property register
- Property valuation – appointment of Valuer
- Facilitation of SG Diagrams – property sales/acquisition
- Property transfers
- Property development – Investigating best and optimum use of property.
- Implement the communication strategy to ensure adequate service delivery.
- Apply and adhere to best property practices.

Represent the City as an expert in the field of Property Management when interfacing with key stakeholders. Coordinate, collect and analyse valuation data and formulate valuation specific recommendations for line management.

#### 3.8.1 Achievements

- Academic Hospital Near Edu Park- Construction commenced
- Municipal Long terms lease development approved.
- Fundigenix Proprietary Limited (Checkers Centre)
- The Greenery Shopping Centre- Erf 1340 Pietersburg X 40
- Netcare Akeso Hospital – Construction commenced

#### 3.8.2 Challenges in 2023/24

- Illegal occupation of municipal land
- Human Capital
- Outdated land register
- Encroachments – neighbouring properties

### 3.9 CITY PLANNING AND PROPERTY MANAGEMENT

#### The Core Function of the Unit

The core function of the Unit City Planning and Property Management is to deal with **Land Use Management, Spatial Planning, Planning Control & Outdoor Advertising** and the Management of Municipal Immovable Properties and property rights transfer in general.

#### City and Regional Planning

The above section deals with Four levels of Town planning. Each section has its own specific areas that it needs to deal with for service delivery.

**Spatial planning:** This section focuses on the forward planning in terms of development and growth coupled with policy development and review. All land use applications must be supported by this unit prior to submission to the **Authorised Official (AO)** and **the Municipal Planning Tribunal (MPT)**. All policies in relation to land development are maintained and amended by this section through either in house compilation or private consultant's compilations this includes Town planning Scheme, SDF, Framework plans and other related policies.

**Land Use Management:** This section of the Town Planning deals with the generating of the Land use change reports, Township establishment, subdivision and consolidation, special consent and **temporary consent** and written consent. Furthermore, day to day advice to the public remains the core function of this unit with support of the Spatial Planning Section.

**Planning Control and Outdoor advertisement:** Apart from the above other sections, this section deals with the planning controls that entail the illegal land use management through enforcement of the applicable policies, **Land Use Schemes and By-Laws**. They are Law enforcement **and Planning Control** unit and play an important role to the public through advertisement procedures in terms of the Outdoor Advertisement **By-Laws**. Their functions are detailed as follows:

- Processing of the application for **Outdoor** advertisement
- **Management of Outdoor advertising Projects for Council**
- Generating the report for illegal land use and submission to legal services
- Issuing of the illegal land use notices
- Building plans approval and scrutinizing

**Property Management:** This section of the Strategic Business Units deals with the generating of the Portfolio/Council report for:

- Property acquisition
- Property disposal – (Lease, sale, donation)
- Registration of servitudes
- Policy development
- Property register
- Property valuation – appointment of Valuer
- Facilitation of SG Diagrams – property sales/acquisition
- Property transfers
- Property development – Investigating best and optimum use of property.
- Implement the Section communication strategy to ensure adequate service delivery.
- Apply and adhere to best property practices.

Represent the City as an expert in the field of Property Management when interfacing with key stakeholders.

Coordinate, collect and analyse valuation data and formulate valuation specific recommendations for line management.

### 3.9.1 Achievements

- Proclamation of the Polokwane Integrated Land Use Scheme, 2022
- The Spatial Development Framework, 2023, has been approved.
- The Dalmada/Kalkfontein Precinct Plan, 2023, has been approved
- Township Establishment on Portion 151-160 Farm Sterkloop 688-LS (Kingdom Park) is Approved by MPT.
- Township Establishment Ivy Park X 63 Approved by MPT: Limpopo Science & Technology Park, Land made available by the Municipality.
- Academic Hospital Near Edupark- Construction Commenced
- Polokwane Extension 134 **approved** (municipal township part of the housing sector plan)
- Engelschedoornboom 668-LS (Polokwane Ext 126 and 127) approved (municipal township part of the housing sector plan) installation of services completed.
- Municipal Long terms lease development approved.
- The construction of Netcare Akeso
- **Fundigenix Proprietary Limited (Checkers Centre)**
- **The Greenery Shopping Centre- Erf 1340 Pietersburg X 40 opened its doors in October 2023**
- **The Limpopo Provincial Theatre (Bakone Malapa) construction is underway and** The location of the **R376-million** theatre is at the **Bakone Malapa cultural precinct**, it is **10km** south of Polokwane city centre, along the R37 road to Burgersfort. The complete theatre will be handed over to the community of Limpopo by **31st May 2026**.

### 3.9.2 Challenges in 2023/24

- Illegal land uses and Outdoor Advertising Boards
- Land invasion
- Ineffective application of Urban Renewal incentive schemes
- Human Capital
- Formalization of Informal Settlements
- Outdated land register

**Table 42: Applications**

Detail	Formalization of Townships			Rezoning			Built Environment		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Planning application received	9	9		85	89		139	110	121
Determination made in year of receipt	3	1		19	18		36	29	40
Determination made in following year	0	0		0	0		0	5	6

Planning Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	2022/2023		2023/2024	
		Target	Actual	Target	Actual
Service Indicators					
<b>(i)</b>					
<b>Service Objective xxx</b>					
<i>Determine planning application within a reasonable timescale</i>	Approval or rejection of all build environment applications within 6 months (subdivisions)	100%	100%	100%	100%
	Approval or rejection of all build environment applications within 2 months (consolidations)	100%	100%	100%	100%
% approved building plans	100%	100%	56%	100%	100%
% Occupation Certificate Issued	100%	100%	91%	100%	100%
% Contravention Notices issued	100%	100%	100%	100%	100%
% of land use applications finalized within statutory timeframe	100%	100%	28%		

Employees: Planning Services								
Job Level	2022/23				2023/24			
	Posts No	Employees No	Vacancies (fulltime equivalents) No	Vacancies (as a % of total posts) %	Posts No	Employees No	Vacancies (fulltime equivalents) No	Vacancies (as a % of total posts) %
0-3	5	5	0	0.03%	5	4	0	0.03%
4-6	25	10	15	0.44%	25	15	15	0.44%
7-9	9	6	3	0.09%	9	6	4	0.09%
10-12	4	2	2	0.06%	4	2	2	0.06%
13-15	0	0	0	0	0	0	0	0

16-18	0	0	0	0	0	0	0	0
19-20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>45</b>	<b>25</b>	<b>20</b>	<b>0.63%</b>	<b>45</b>	<b>27</b>	<b>21</b>	<b>0.63%</b>

**Table 43: Capital Expenditure**

<b>Capital expenditure 2022/23: Planning Services</b>					
<b>R`000</b>					
<b>Capital Projects</b>	<b>2023/24</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget</b>	<b>Total project value</b>
Total all					
Project A  Dilokong X 1 Arts and Culture at Bakone Malapa.	R 1 000 000.00	R 150 000.00 (VAT)	R 1 063 750.00	R 300 000.00	R 2 213 750.00 (VAT Inclusive)
Project B  Township Establishment on Portion 151-160 of the Farm Sterkloop 688-LS	R 600 000.00	N/A	R 2 317 900.00	N/A	R 3 131 000.00
Project C  Precint Plan at Dalmada and Kalfontein	R 599 800.00	N/A	R 539 820.00	N/A	R 599 800.00
Project D  Provision of Short	R 13 043 478.00	N/A	R 1 680 128,27	N/A	R 37 000 000.00

Engineering for Bakone Malapa					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
T3.10.6					

### Comments on the performance of City Planning and Property Management

The highlight achievement is the Proclamation of the Polokwane Integrated Land Use Scheme, 2022 (on 27 February 2023), which was pending for many years and resulted in a noncompliance issued by the Minister of rural Development and SALGA circular in 2021/2022. The City Planning section managed to get approval from the Municipal Planning Tribunal on Township known as Kingdom Park on Portion 151-160 of the Farm Sterkloop 688-LS and submit the Draft General Plan for approval. The SBU also managed finalised a Draft Precinct Plan and public participation completed.

### 3.10 CORPORATE GEO-INFORMATICS (GIS AND LAND SURVEY)

The core function of the SBU is administration of the entire planning information database at all levels of the municipality. Management of database servers and data capturing procedures and policies, assist with information dissemination procedures. The SBU is responsible for the implementation of the Land Survey Act No. of 1997 Spatial Data Infrastructure Act No. 54 of 2003, Geomatics Profession Act No. 19 of 2013 and Spatial Planning and Land Use Management Act No. 16 of 2013.

**Corporate Geo-Informatics has two divisions:**

#### 1. Land Survey

- ✓ This division deals with land survey and boundary issues.
- ✓ Carry out internal land survey requests e.g. subdivisions, consolidations, resurvey of townships as per request etc.
- ✓ Development of layout plans for rural/ traditional site demarcation / township establishment projects (RSS).
- ✓ Demarcation of sites for approved land use rights in rural / traditional areas.
- ✓ Resolve boundary dispute complaints.

#### 2. Geographic Information Systems

- ✓ This division is responsible for spatial data management and dissemination (locality maps, SG Diagrams etc.
- ✓ Capturing of all planning and engineering infrastructure information into the municipal geodatabase.
- ✓ Liaise with internal & external stakeholders and data custodians to ensure effective and accurate spatial data for the municipality.
- ✓ Management of all spatial database servers.
- ✓ Developing integrated systems for land use management and land development (GIS centric).
- ✓ Determine boundaries for assistance with resolution of boundary disputes.

#### 3.10.1 Achievements

SPLUMA compliance by developing a SPLUMA compliant online town planning applications management system (TPAMS). The Integrated GIS System to be officially launched on 30 August 2024 to the public, this will be an important milestone in the history of the municipality. The system to be launched will allow members of the public to have a direct interaction with the municipal official on an online system. The SBU implemented the Integrated Geographic Information System and successfully implemented eight of the eight modules.

Through the full implementation of the integrated GIS system, the municipal authority will be able to track all land development applications right from the moment the application is lodged with the municipality to the decision stage. The system will make it easy for authorities and municipal officials to draw statistical reports from the system which will pass the audit master's test.

The SBU has successfully completed the integration of GIS billing module to the Municipal billing system (Munsoft), this will enable the municipal officials and appointed service providers to easily have access to billing spatial data, this will improve service delivery and the turnaround time to attend to billing queries, cut offs and reconnections. The information is also available at ward level and township level.

The SBU has also achieved above 80% of the correction, collection and updating of cadastral data, this includes Ervens, holdings, farm portions and parent farms. A number of street names and addresses have been corrected and updated on the GIS system. This information feeds to the Integrated GIS modules. Always updating of spatial data in the municipal billing system to optimize on revenue collection and improve on dispute resolution.

Continuously engaging with other sister departments such as Engineering Services to encourage them to support with the routine updating of GIS databases. The SBU had managed to renew its GIS Enterprise License Agreement (ELA) with its current service provider as of March 2024 and the agreement will run for a period of three years. The SBU continues to gather and collate critical spatial data to support development planning and other municipal entities to render services efficiently and effectively to the public at large.

The unit plays a critical role in the deed of donation of land between the municipality and other organ of state e.g. Department of Basic Education and Sport Arts and Culture respectively.

The SBU is playing an important role in the identification of land suitable for sustainable human settlements in area of Traditional Authorities (RSS) and Priority Human Settlement Housing Development Areas (PHSHDA) as proclaimed by national Department of Human Settlement.

Working together with the revenue services on the acquisition of aerial imagery for the whole municipal are in support of the integrated GIS system and revenue collection and enhancement.

Corporate Geo-Informatics continues to play a critical role in the greening of the city programme as championed by Environmental SBU.

The unit also assisted the Asset Management Unit in cleaning and correcting the immovable asset register or investment register properties.

The SBU Corporate Geo-Informatics has played a critical role in the project management by supporting the PMU with boundaries identification on projects for roads, water and other critical engineering and social infrastructure to be constructed.

The unit has also managed to assist 70 number of boundary disputes in the municipality.

A significant number of site demarcations were completed in the rural areas for compliance with Municipal Planning By-law as approved by the MPT.

### **3.10.2 Challenges**

- Critical positions vacant (Manager, Land Surveyor)
- Lack of accurate clean data (street names and addresses mostly)
- Continuous updating of street address due to dynamic town planning process
- Poor network performance and incompatible computers to run integrated GIS



- Lack of equipment to obtain aerial images for use during supplementary valuation and illegal land use – land invasion detection.
- Lack of boundary dispute resolution strategy/protocol

**Table 44: Employees Geo-Informatics**

<b>Employees: Corporate Geo-Informatics</b>								
<b>Job Level</b>	<b>2022/23</b>				<b>2023/24</b>			
	<b>Posts No</b>	<b>Employees No</b>	<b>Vacancies (fulltime equivalents) No</b>	<b>Vacancies (as a % of total posts) %</b>	<b>Posts No</b>	<b>Employees No</b>	<b>Vacancies (fulltime equivalents) No</b>	<b>Vacancies (as a % of total posts) %</b>
0-3	3	0	3	100%	3	0	3	100%
4-6	2	2	0	0%	2	2	0	0%
7-9	10	3	7	70%	10	5	5	50%
10-12	0	0	0	0%	0	0	0	0%
13-15	0	0	0	0%	0	0	0	0%
16-18	0	0	0	0%	0	0	0	0%
19-20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>17</b>	<b>5</b>	<b>10</b>	<b>58.8%</b>	<b>17</b>	<b>7</b>	<b>8</b>	<b>47%</b>

### 3.10.3 Comments on the Performance of the Capital Expenditure

The SBU has no allocation of Capital Expenditure. The SBU operates on the Operational Budget.

The highlight on the performance of the SBU is on SPLUMA compliance by developing a SPLUMA compliant online town planning applications management system (TPAMS). The Integrated GIS System to be officially launched on 30 August 2024 to the public, this will be an important milestone in the history of the municipality. The system to be launched will allow members of the public to have a direct interaction with the municipal official on an online system.

The SBU has successfully completed the integration of GIS billing module to the Municipal billing system (Munsoft), this will enable the municipal officials and appointed service providers to easily have access to billing spatial data, this will improve service delivery and the turnaround time to attend to billing queries, cut offs and reconnections. The information is also available at ward level and township level.

The SBU had managed to renew its GIS Enterprise License Agreement (ELA) with its current service provider as of March 2024 and the agreement will run for a period of three years.

The unit has also managed to assist 70 number of boundary disputes in the municipality.

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### 3.11.1 Introduction to Economic Development & Tourism

Economic Development & Tourism SBU's responsibility is to create an enabling environment for businesses by mobilizing local resources, capacities and skills in line with sustainable development objectives to ensure that the local economy unleashes its maximum potential through investment opportunities, Marketing PLK as a tourists and investment destination, SMME & cooperative development, Informal trade management and Economic Research and Development.

Economic Development & Tourism SBU offers local government, the private and communities the opportunity to work together to improve the economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. The priority of the Municipality is to render operational the socio-economic environment in order to facilitate the creation and the development of economic activities; facilitate investment promotion to retain the income of the local economy (i.e. plugging the leaks in the local economy); develop human capital (i.e. skills development focused on the needs of the local economy); to provide economic development (developmental support to community based initiatives, cooperatives etc.); facilitate SMME development; identify and support business clusters and business opportunities; facilitate and ensure contacts, links and or exchanges with possible local, national and international economic partners; attract inward investment and to promote Polokwane as a tourist destination.

The Polokwane economy is essentially built on its function as a service centre for Limpopo Province and to a certain degree for residents from neighbouring countries. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy.

**Table 45: Economic Activity by Sector**

Sector	2019/20	2020/21	2021/22	2022/23	2023/24
Agric, forestry and fishing	963243	1793819	2021197	2277126	2144638
Mining and quarrying	4344427	6732817	11474504	11555397	7744591
Manufacturing	2561676	3287384	3705427	4151312	6299692
Wholesale and retail trade	15883777	17475720	20191890	22010732	22263755
Finance, property, etc.	14972571	20063803	21978299	23748164	19436591
Govt, community and social services	22859413	24899588	34542890	37128790	51910827
Infrastructure services	11247353	8514233	9196488	10394030	12185769
Total	72832461	90006705	103110694	111265551	121985863

Source: Regional Explorer, S & P Global 2024

The number of formally employed people in Polokwane Local Municipality counted 207 958 in 2023, which is about 75.58% of total employment. Community Services which include government continues to be the largest employer in the Polokwane economy. The sector that employs the least number of people is mining with only 4284. Polokwane has minimal mining activities. The ongoing failure of certain parts of public infrastructure, especially electricity, will continue to constrain growth over the medium term. However, there have been ongoing land development within the city post the Covid-19 pandemic. The construction and rehabilitation of roads infrastructure, the establishment of new townships, new retail outlets and student accommodation, and the planned academic and private hospitals will boost employment in the foreseeable future.

**Table 46: Economic Employment by Sector**

Sector	2020/21	2021/22	2022/23	2023/24
Agriculture, forestry and fishing	12461	12734	12765	12263
Mining and quarrying	3903	4600	4843	4284
Manufacturing	17630	16766	6 376	10656
Wholesale and retail trade	64512	59331	61377	40188
Finance, property, etc.	32222	30456	32425	35904
Government, community and social services	85478	82467	84756	86324
Infrastructure services	34691	35185	36071	18339
Total	250897	241539	248612	207958

**Table 47: Local Economic Development Policy Objectives Taken from IDP**

Local Economic Development Policy Objectives Taken From IDP													
Service Objectives	Outline Service Targets	2018/19		2019/20	2020/21		2021/22		2022/23		2023/2024		
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators	(i)												
	(ii)												
# of Job opportunities created through the municipal LED initiatives by 30/06/2024 (Temporary job opportunities)			305		157	290	0	55	357	20	175	170	226
Number of workshop sessions conducted for street traders by 30/06/2024			348		117	30	0	5	267	06	304	07	17
i. Permits printed			11		0		0	100	234	110	236	150	44
ii. Capacity building (waste management, health and hygiene and lease agreement)			348		117		0	5	5	06	08	07	17
# of job opportunities created through the EPWP by 30 June 2022 (temporary job opportunities)		3636	2146	3653	3552	3650	4215	3650	4215				

**Table 48: Employees: Local Economic Development 2022/23**

Employees: Local Economic Development Services								
Job level	2021/22				2022/23			
	Posts No.	Employees No	Vacancies (fulltime equivalents ) No.	Vacancies (as a % of total posts) %	Posts No.	Employees No	Vacancies (fulltime equivalents ) No.	Vacancies (as a % of total posts) %
0-3	5	4	1	0.03%	5	4	1	0.03%
4-6	11	10	1	0.03%	11	10	1	0.03%
7-9	6	4	2	0.06%	6	4	2	0.06%
10-12	1	0	1	0.03%	1	0	1	0.03%
13-15	0	0	0	0	0	0	0	0
16-18	4	3	1	0.03%	4	3	1	0.03%
19-20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	27	21	6	0.19%	27	21	6	0.19%

### 3.11.2 Comments of Local Economic Development Performance Overall

Development Support to SMMEs and Co-operatives

The Municipality provides non-financial support programmes to SMMEs, and Co-operatives as follows

#### ➤ Capacity Building Programmes

The Municipality provides capacity building programmes focusing on different subjects aimed at growing small businesses.

**Table 49: Capacity Building Programmes**

Name of training	Name of Service Provider	Number of participants
Costing and Pricing	LEDA	24
Financial Management	LEDA	19

Name of training	Name of Service Provider	Number of participants
Basic Bookkeeping	LEDA	17
Boot camp training for youth	Tompi Seleka College of Education	06
Marketing Skills	LEDA	25
Business Management	LEDA	28
Introduction to Digital Entrepreneurship	COLAB	34
Rural Enterprise Development	SALGA	46
Business Management Training	National Youth Development Agency	28
Boost-Up Training	MLAB	38
Information Communication Technology and Financial Literacy	African Bank	42
Quality Management System	Productivity SA	31
Grow my business workshop	CCBSA	24
Pre-tender Workshop	SANRAL	25

➤ **Access to Market**

The Municipality provides exhibitions platforms on a monthly basis for SMMEs to showcase and sell their products and services to the local communities. The exhibitions promote heritage, art and craft, clothing, traditional shoes through creative work.

Polokwane Municipality participates in major provincial and national expos. This provides an opportunity for SMMEs to establish trade relationships with other provinces and nations, to discover new developed ideas and to learn more from their counterparts.

**Table 50: Access to Markets**

Name of Exhibition	Partners/Institutions	Number of beneficiaries
Library Gardens	Polokwane Municipality	119
SABC Park	Dept of Agriculture	11
Protea Hotel Exhibition	Protea Hotel	04
Savannah Mall exhibitions	Capricorn District Municipality	39
Mankweng exhibitions	Polokwane Municipality	24
Africa Day celebration exhibitions	University of Limpopo	08
DECOREX SA	Department of Small Business Dev	02
Park In	Polokwane Municipality	12

➤ **Access to funding**

Polokwane Municipality facilitates access to funding to SMMEs and Co-operatives with other developmental financial institutions. The aim is to increase capital through acquisition of machinery and equipment's to enable SMME and Co-operatives to thrive. A total amount of R4 786 000.00 was disbursed to SMMEs and Co-operatives for the financial year.

**Table 51: Access to Funding**

Name of Funder	Sector	Amount Funded
Core Energy	Agricultural Sector	R2 000 000.00
Nozala Trust	Agricultural Sector	R2 700 000.00
Munsoft	ICT Youth	R86 000.00
<b>TOTAL</b>		<b>R4 786 000.00</b>

➤ **Global Entrepreneurship Week**

The Municipality celebrates Global Entrepreneurship week with the rest of the world to inspire and encourage SMME and Co-operatives. The events take place through competitions, presentations, collaborations', festivities, trainings and seminars. The total amount raised to fund SMME and Co-op for starter packs and competitions amount to R1 065 399.00

**Table 52: Global Entrepreneurship Week**

Name Of events	Number of participants	Amount for Competition/Funding
Gew Culinary Show	124	R163 399.00
Gew Fashion Show	230	R105 000.00
Gew Agripreneur	216	R582 000.00
GEW Business Seminar	859	R170 000.00
Total Funding		R1 065 399.00

➤ **Business Development Centres**

The Municipality provides developmental support to tenants in the 05 clusters.

**Table 53: Business Development Centres**

Name of Business Centre	Number of stalls
Aganang Business Centre	12
Mankweng University Gate 2	86
Mankweng Hospital Gate	68

Knobel hospital Gate	10
Church Street cooks	26

➤ **Incubation Programme**

Itsoseng Incubation programme is a Municipal initiative with a view to incubate SMMEs on capacity building, mentorship, business management for them to grow and be sustainable.

**Table 54: Incubation Programme**

Name of Centre	Number of cubicles
Itsoseng Entrepreneurial Centre	39

➤ **TOURISM DEVELOPMENT**

The Municipality has programmes aimed towards development and transformation of the Tourism industry. This function is done in partnership with other Government institutions and Private sector. Polokwane Tourism Association is an organisation that allows the municipality to have formal inputs from industry in a more co-ordinated manner and their participation in the transformation and development of the Industry. The Visitor Information Centre is in operation in partnership with Limpopo Tourism Agency to enhance visitor experience through availability of tourism information.

In partnership with Polokwane Tourism Association the Municipality has Polokwane Star Awards which is a project aimed at improving service excellence within the Municipality by acknowledging outstanding service that industry provides to visitors.

➤ **INVESTMENT PROMOTION**

The Municipality has programmes aimed towards the promotion of Polokwane as an investment destination. The SBU developed an Investor guide that highlights key areas in which Investors can focus on and highlights partners and contact which can be useful to anyone setting up a business within the Municipality. The Municipality does not have self-funded incentives but make use of other incentives from other spheres of Government, such as the Urban Development Zone which encourages re-investment into the CBD through tax breaks.

The Municipality has close relations with business sector through the Polokwane Chamber of Business of which the SBU is secretariat to provide support to the organisation as it is a Non-profit organisation which is useful for public engagement for the Municipality. The SBU is responsible for marketing Polokwane as a tourist and investment destination. This is done through local, Provincial and National trade shows platforms created amongst others like:

➤ **Exhibitions**

**Table 56: Exhibitions**

Name of Exhibition	Partners/Institutions	Number of beneficiaries
Limpopo Holiday fair	<ul style="list-style-type: none"> <li>• Capricorn District Municipality</li> <li>• Limpopo Tourism Agency</li> <li>• Limpopo Department of Economic Development, Environment and Tourism</li> <li>• Polokwane Tourism Association</li> </ul>	28



Name of Exhibition	• Partners/Institutions	Number of beneficiaries
Marula Festival	Limpopo Economic Development Environment and Tourism	2
Meetings Africa	Limpopo Tourism Agency	4
World Travel Market Africa	Limpopo Tourism Agency	4
Zimbabwe International Trade Fair	City of Bulawayo	2
Africa Travel Indaba	Polokwane Tourism Association Limpopo Tourism Agency	4
Mayoral Golf Challenge Exhibition	Polokwane Tourism Association	2
CDM Marathon Exhibition	Polokwane Tourism Association CDM	2
Makoro Village Marothon Exhibition	Polokwane Tourism Association	2
Rising Star Tennis National Tournament Exhibition	Polokwane Tourism Association	1
Institute of Environment and Recreation Conference exhibition	Polokwane Tourism Association	2

#### **TRADE (BUSINESS REGULATION AND COMPLIANCE)**

Hawker Management is a critical component of the Municipality's development strategy to grow and regulate the informal economy. Informal trading makes an important contribution to the economic and social environment of Polokwane. It is a source of livelihood for most people, and thereby contributing positively to their quality of life. To take advantage of economic activities generated by informal trading, the Municipality approves informal trading activities within the city by regulating trading on the street through provision of hawker's stall. And issuing permits that are renewable monthly.

The total number of permits issued in the 2023/2024 financial year was 44 making the overall total number of permits issued 1502. The total number of traders capacitated through waste management, health and hygiene and lease agreement 17 workshops sessions were 127. Temporarily job opportunities are also created through identifying trading opportunities during events hosting in Municipal infrastructures like stadiums is 226.

## 3.12 ENVIRONMENTAL MANAGEMENT

### 3.12.1 Introduction

Every citizen Polokwane Municipality has the right to an environment which is not harmful to their health or well-being and to have the environment protected for the benefit of present and future generations through reasonable legislative and other measures that prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and the use of natural resources while promoting justifiable economic and social development.

It is the mandate of the municipality to ensure the provision of a clean and healthy environment and strive to improve the quality of life by providing an attractive environment and protecting it for future generations. Polokwane Municipality has the following key roles to play in the development and management of environment: remaining informed on and participating in the development of all national environmental policies and legislations; communicating and negotiating with stakeholders; promoting environmental awareness; monitoring and reporting on the status of Polokwane natural resources and putting local By-Laws in place to manage Polokwane resources for sustainable use. The following sensitive areas within Polokwane municipality must remain protected from development (i.e. Developments are not allowed within 150m buffer zones): Polokwane Botanical Reserve (one of only two habitats worldwide for endemic endangered *Euphorbia clivicola*, a large *Aloe marlothii* 'forest', high geological and microclimate diversity, over 20 tree species) which is the highest and therefore the most visible point in Polokwane.

Flora Park wetland (a seasonal wetland harboring the only known community of endemic *Haemanthus montanus* bulbs and a rare form of *Serapegia*); Polokwane Frog Reserve (breeding grounds for 12 Frog species including endangered Giant Bullfrog). Buffer Zone along the Sand River of 100m on either side of the channel. The profusion of *Syringa* and other invasive weeds must be addressed as part of a planned rehabilitation strategy; The Suid Street drainage channel (Sterkloop channel) (a dense stand of *Acacia tortilis* and *Acacia rehmanniana*), which provides an ideal linear open space.

The priority of the municipality was to develop environmental management policies, strategies, continuing to provide environmental awareness campaigns, developing and maintaining parks and open spaces. Focus was placed on the protection of Rhinos find in the Municipal Game Reserve. Council owns portion 4 No 1025 Kroomdraai plantation farm which is located at Haenertsburg, with these GPS coordinates 23° 54'10.59" S 29° 56.09.51" E. The farm is about 49 hectares of which 41 hectares is planted. The main use of the land is forestry with pine trees (*Pinus elliottii*).

#### Table 57: Employees: landscape (Parks) 2023/24

Employees: landscape (Parks) 2022/23					Employees: landscape (Parks) 2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	0	0	2	2	0-3	0	0	2	2
06-8	9	9	9	2	06-8	9	9	9	2
09-11	9	9	9	0	09-11	9	9	9	0
13-15	5	0	5	0	13-15	5	0	5	0
17	84	186	84	91	17	80		80	95
N/A					N/A	N/A			
Total	110	216	110	91	Total	94		87	99

Table 58: Employees: Cemeteries 2023/24

Employees: Cemeteries 2022/23					Employees: Cemeteries 2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	N/A	N/A	N/A	N/A	0-3	N/A	N/a	N/A	N/A
4-6	1	1	1	0	4-6	1	1	1	0
7-9	3	3	3	0	7-9	3	3	3	0
13-15	1	1	1	0	13-15	1	1	1	0
17	18	55	18	36	17	16	55	18	36
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	25	60	25	36	Total	25	60	25	36

**Table 59: Employees: Biodiversity 2023/24**

2022/23					2023/24				
Job Levels	Employee No	Post No	Employees No.	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies (Full Time Equivalents)
0-3	0	1	0	1	0-3	0	1	0	1
06-8	3	9	3	7	06	3	9	3	7
09-11	2	8	2	7	09	2	8	2	7
12	0	11	0	9	12	0	11	0	9
13-15	2	6	2	4	13-15	2	6	2	4
17	18	86	18	66	17	17	87	17	67
N/A					N/A				
Total	25	122	25	95	Total	24	123	24	96

**Table 60: Capital Expenditure 2023/24: Environmental Management**

Item	Project Name	Project Status
01	Upgrading of Municipal Nursery	Completed
02	Upgrading of Game Reserve Facilities	Completed
03	Grass cutting equipment	Completed
04	Development of regional parks in Rural areas	Completed
05	Greening Programme	Completed

**1. Refurbishment of Game Reserve Facilities**

The Municipality budgeted over a million rand in 2023/24 Financial year to start upgrading chalets to a status whereby customers can be attracted. Below are the pictures of before and after.

**Before Refurbishment**



**Refurbished**



## **2. Greening programme and Outreach Programmes**

The Greening Programme is aimed at contributing towards the President's call to plant 2 million trees a year. Polokwane Municipality is planting trees in all clusters, schools, health facilities, entrances, sidewalks, cemeteries, parks. The initiative assists in mitigation of climate change. It is a norm in the municipality that in every event, tree planting takes place. Over 13000 trees were planted during 2023/24 financial year. These achievements are because of our strong partnership with the National Department of Forestry.

### **Executive Mayor Cllr Makoro John Mpe Planting Trees at Ga-Maja Village**



**Council Speaker Mrs. Modiba Planting Trees during Mayoral Imbizo at Makotopong**



**Tree planting at Eagle's Nest School**



**MEC Mr. Rogers Monama LEDET planting trees at Greenside Primary During Air Quality Lekgotla**



**Learners receiving Environmental Education during tree planting session**



**3. Construction of Ablution Facility at Tom Naude Park**

The Structure of Ablution facility is completed. This will resolve the issue of sanitation at a highly utilised Tom Naude Park





#### 4. Upgrading Of Municipal Nursery

The structures of Municipal Nursery dilapidated and needed an upgrade particularly propagation beds and Glass houses. New fibre glasses installed on propagation beds, while broken fibre glasses on glasshouses were replaced.

##### Broken old fibre glasses



##### Glasshouse-Fibre glasses broken and left a gab



**During Replacement and Repairs**



**After replacement**



## 5. World Environmental Day

Polokwane Municipality celebrated World Environmental Day at Polokwane Game Reserve on the 5<sup>th</sup> of June 2024. Graduates and Municipal officials planted trees with an intention of saving the World.



## 6. National Arbor Celebration and IERM Convention

Polokwane Municipality hosted a very successful National Arbor Day celebration on the 1<sup>st</sup> September 2023, and subsequently hosted Institute for Environment and Recreation Management (IERM) on the 15<sup>th</sup> of September 2023 at Peter Mokaba Stadium.

### Deputy Minister Ms Makhotso Soytu Planting trees During National Arbor Day at Ext 78



**Executive Mayor Cllr Makoro John Mpe Planting Trees during the opening of IERM Conference**



## 7. Greenest Municipal Competition

Polokwane Municipality are the Provincial Champions of the Greenest Municipal Competition, 2024, became no 1 in the province.



## 8. Cleaning and Greening Programme

During 2023/24 Financial year, the Municipality entered into a partnership agreement with DFFE through the Presidential Cleaning and Greening Programme to appoint 2000 EPWP participants with the aim to clean our city. The participants are placed in all 45 wards. Their role is to do litter picking, bush clearing and general cleaning and maintenance of all municipal facilities.

### During Launch of Participants at Peter Mokaba Stadium by Executive Mayor



## 9. Landscaping in our Parks and Facilities

Our Environmental Management team is working hard to improve landscaping and the outlook of our municipal gardens. Civic centre park has improved significantly and other Municipal facilities, including Traffic department, Seshego Water Treatment Plant.

### Civic Center Park





**Beautification of Water Treatment Plant in Seshego**





#### **10. Polokwane Environmental Forum**

Environmental Management SBU has established Polokwane Environmental Forum. The Forum is conducted once a quarter. All Environmental related issues are discussed, and ideas shared during the meetings.

### **COMPONENT C: COMMUNITY SERVICES AND DEVELOPMENT**

This component includes libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; childcare; aged care; social programmes, theatres.

#### **3.13 CULTURAL SERVICES**

##### **3.13.1 Introduction to Cultural Services**

The SBU Cultural Services is responsible for Libraries, Museums and Cultural Programmes.

##### **3.13.2 Libraries**

The Municipality renders a flagship library service in the CBD (City Library) and operates branch libraries in Nirvana, Westenberg, Seshego, Mankweng, Moletjie and Matlala. We provide library materials on loan to Polokwane Place of Safety's resource centre and three old age homes. The Provincial Department of Sport, Arts and Culture (DSAC) built a new library at Ga-Molepo (Tshebela Village) which is operated jointly by Polokwane Municipality and DSAC. Conversions to a section of the cluster offices at Molepo/Chuene/Maja cluster to provide a library is complete. We need to appoint more staff to ensure that service delivery reaches our communities including rural areas.

### **3.13.3 Expenditure for Collection Development**

- Library books (book stock development) to the value of R291 902.00 were purchased for 2023/24.
- Polokwane Municipality has managed to procure 150 new books for the year ended 30 June 2024.

### **3.13.4 Current Services**

The Polokwane Municipal Libraries render a library and information service to the community and provide reading materials for various purposes, e.g. self-improvement, recreation, education and cultural development. To promote reading and striving towards a culture of reading, the library actively engages with the community through various "outreach" programs. Provision of information: The Reference & Study section of all libraries is frequented by users from various parts of the province. Target groups are tertiary students; secondary learners doing research for school projects; smaller children and parents; persons requiring information to enhance their general knowledge and to improve their circumstances.

Circulation of books / informal reading: The municipal libraries provide different types of books which promote reading and should improve reading skills. This includes books for self-development, leisure reading and cultural development. Circulation of books remains an integral part of all library services. While all library services (except photocopies/printing) can be enjoyed free of charge inside our libraries, a user must become a library member within the prescribed rules subject to payment of the relevant fees before being allowed to borrow library material for home use. This policy negatively impacts on the promotion of reading in the community, and it should be reconsidered to accommodate indigents.

Provision of study space: Library users need space to study; its environment should be conducive for studies. The libraries made study areas available to accommodate daily visitors, allowing them the use of all books in the library. This is a growing need in all libraries. Whenever users request after-hours utilisation of study areas it is implemented to suit local circumstances. Internet and Wi-Fi: The libraries currently offer a limited number of Internet connections to users to aid learners, students and upcoming entrepreneurs. A connection is free for one hour per day and is sponsored by the "Conditional Grant for Public Libraries". Limited Wi-Fi is also available.

Technological Aids: To render distribution of information effectively all service points require dependable photocopiers/reprographic facilities. Library books, especially Reference sources, are willfully damaged and vandalized by library users when they are unable to make copies for personal use. Our libraries offer photocopying at cost to users, but no fax facilities.

Library outreach and awareness programs: The municipal libraries continuously present holiday programs, conduct outreach to schools to inform learners about libraries, assist in establishing reading clubs and provide library orientation for new user's/school groups. Municipal libraries support the celebration of National events like South African Library Week (SALW) and National Book Week to promote the use of libraries and reading and actively participate in the Polokwane Literary Fair. Debate: Polokwane Libraries participate in the annual Executive Mayor's Trophy, a debating tournament aimed at providing debating skills and opportunities amongst the youth of Polokwane.

### **3.13.5 Challenges**

- Reference Stocks: Our reference stocks were last replenished during the 2016/2017 financial years. The annual allocation for our book collection must urgently be increased to enable our libraries to be viable centers of research and excellence.

- User fees: Statistics on membership numbers (new as well as existing) indicates that our numbers do not meet targets since many users prefer to visit the library to do the reading at the library instead of paying for membership which allows the user to use the reading material at home. Benchmarking amongst other municipal libraries indicates that Polokwane remains one of few municipalities that still impose membership fees.
- Funding to improve book stock: To improve informational and educational services, library book stock needs constant replenishment and updating. Without a sufficient annual budget allocated to buy books, this proves to be a daunting task. Every library should have an up to date, well balanced and representative book collection not only to back up our marketing and outreach programs -and to give library users the best possible resources that will enable them to excel.
- No library expansion program: Interpretations of the "Unfunded Mandate" is hampering the expansion and rendering of library services in Polokwane. Rural areas where people need to travel great distances to reach the nearest library are affected, contributing to poor performance at school. Areas identified in earlier IDP documents should be prioritized. Alternative forms of accommodation (for example container libraries) should be considered for satellite libraries.
- ITC and Internet backlog: While Internet access and Wi-Fi can aid library services, all remote locations experience various IT related problems, where slowness/lack of bandwidth is hampering service delivery. A municipal IT connection should be implemented for Molepo and Matlala Libraries which currently have only manual systems.
- Inter-Governmental Relations: Limited assistance to fund libraries is being received from the Limpopo Department of Sports Arts and Culture through the "Conditional Grant" allocations. Needs related to books, equipment, ITC, personnel and maintenance is communicated to the department on a regular basis with the aim of obtaining assistance.
- Contract/Grant staff: while the provision of librarians and library assistants by DSAC improves our staff situation, it also presents numerous challenges (hours/overtime/Saturday work/ cell phones, etc.)

### 3.13.6 Aganang Library

Matlala Library: The library located in the Ipopeng One-Stop Centre (also known as the "Parliament Complex") consists of a small but functional building. The facility consists of an area with shelves and tables, a counter/storage area with an adjacent office and a separate study room. It shares toilet facilities with the complex. The library uses manual systems for all processes since our SBU is unable to connect to the facility. Internet connection for the benefit of library users provided by DSAC (Grant funding).

This library faces severe challenges:

- A permanently appointed Librarian
- Water provision inconsistent
- Toilet facilities outside library
- No phones/fax facilities
- Poor network connection
- Budget constraints
- Delivery of newspapers and periodicals is nonexistent

There is a huge need for more libraries throughout the Aganang Cluster due to the vast number of households v/s vast distances from the Matlala library. The first step is to convert a currently unused structure on the premises of the Cluster Office (Old Traffic Building) into a library to service the surrounding villages.

### 3.13.7 Museums

**Bakone Malapa**- An open-air museum where live demonstrations of the Northern Sotho Culture are performed.

**Irish House Museum**- A cultural history museum where history and culture of people within Polokwane, Limpopo and beyond is exhibited.

**Hugh Exton photographic Museum:** A Museum of photography containing a collection of the renowned photographer Hugh Exton who captured over twenty thousand photographs on glass negatives.

**Polokwane Art museum-** a museum of art where painting, works on wood and sculptures are housed and maintained/conserved.

### **3.13.8 Heritage Research**

The museum services are also responsible for managing heritage sites within Polokwane Municipality. The best-known heritage sites are Eersteling, Marabastad and the Concentration campsites. Other heritage sites that have been identified by means of surveys are Moletjie heritage site (Rock Art) and Mothapo rock art site and it is planned to study them further for tourism development purposes.

Overall survey of heritage sites at Moletjie and Maja Chuene has been completed but detailed studies still need to be done. Excavation of a heritage site at Moletjie Ga-Legodi has been done. A conservation Management Plan needs to be done, which will include the Rock Art Site in this area. Heritage sites at Ga-Dikgale have been completed recently and therefore detailed studies are awaited. Specific site study of the site at Mothapo has been identified to be made. The museums continue to comment and issue Record of Decision (RoD) to buildings in the City of Polokwane as far as heritage is concerned.

### **3.13.9 Institutional engagement**

The museums constantly engage with researchers from various angles in the heritage fraternity to get updates on the excavation and storage of heritage material for future research.

### **3.13.10 Educational Affairs**

#### **Exhibition**

First phase of the exhibition has been completed in the Irish House Museum and second phase has been planned and await budgeting Schools as well as public continue to visit the museums.

#### **Cultural Desk**

- Performances (music, poetry, storytelling and live visual art)
- Outreach to privileged stakeholders (prisons, old age facilities, orphanages and schools)
- Lifetime Awards
- Corporate Social Investment
- Central to successful implementation of the fair are its Esteemed Participants:
- Featured Artists (Writers, Poets, Visual Artists and Musicians)
- Expert Guests (Presenters, Panellists, Facilitators and Moderators)
- Beneficiaries (CSI Stakeholders and Hosting Venues for the Outreach Program)
- Audiences/Customers

Currently the Cultural Desk, in conjunction with the Correctional Centre runs a dynamic reading programme with the inmates and mentors them in national programs such as Funda Mazantsi Championships. The Literary Fair team and its esteemed participants (poets, visual artists and writers) regularly share special experiences with the inmates.

At the top tier of the museum, Polokwane Literary Fair paid an overdue tribute to Mr. Avhashoni Manganye and added Roger Ballen through exhibitions which presented a fraction of the artists' Retrospective work, curated by Amos Letsoalo (Curator-Art Gallery). Both exhibitions were on display at the Polokwane Art Museum during the 2023/24 financial period. Currently the exhibition of Roger Ballen has been extended to October 2024.

### 3.13.11 Cultural Desk Outreach Programmes

#### 3.13.11.1 Debate

The Polokwane Debating Society was established in 1997 and since then functioned as a spontaneous effort by local students and residents in co-operation with the Polokwane City Library. The annual tournament acquired the patronage of the mayor in 1998. The floating Mayor's Trophy has become a coveted and prestigious prize for the winning school every year. Participating Teams: 52 registered teams from 30 schools (on average over 800 learners). Two divisions currently exist: A Senior League (Gr. 10 – 12) and a Junior League (Gr. 8 and 9).

#### 3.13.11.2 Developmental values

Through teamwork learners experience the value of co-operation and individual responsibility within the group. This boosts the learners' self-esteem. Teams provide for the development of various life skills: Each team has three main speakers, not less than eight floor speakers, one chairperson, one timekeeper and one team manager. All members are involved in research, but each individual task requires certain qualities and self-confidence is developed.

Although topics such as violence, drug abuse, criminality, undue discrimination, AIDS etc. may be researched and debated intensively, much more than awareness is gained. By stimulating critical thinking over a longer period rather than one or two occasions and by creating the opportunity of personal involvement and growth, and through positive occupation, the breeding ground for social problems can be minimized positively.

Language skills in English. Over the years many learners came back reporting that taking part in the debate gave them the confidence to join debating at university level, to speak up in class and to know how to do research. Also, learners develop note-taking and summarizing skills needed for the various activities in life and in the workplace.

#### 3.13.12 Challenges

- **Organiser/coordinator:** The success of a debating tournament of this extent depends mainly on commitment and good administration driven by genuine interest in the cause. Seven dedicated coordinators are a necessity (to be appointed by the municipality) to represent and drive the programmes in all seven clusters.
- **Communication:** Schools in rural areas often do not have reliable facilities and most often their telephone lines are not working. Even internet communication is not reliable as connection is never guaranteed. Our experience is that once a teacher is involved and enthusiasm is created, they try to keep in touch. Often, we have personal e-mail addresses and cell numbers which make contact more reliable. Even in ideal circumstances, it is very a time-consuming activity to make contact and follow up on the delivery of fixtures, allocation of adjudicators and finally having all the debates running in every round. When communication between the coordinator and teachers is done properly and with dedication, success can be achieved.
- **Adjudication:** The quality of debates depends largely on the quality of adjudication. Adjudicators are drawn from the ranks of senior teachers, lecturers, and senior tertiary students. The voluntary time they are willing to spend on adjudication is highly valued. Our team of 18 adjudicators are over-exerted; they only receive an honorarium according to debates adjudicated during the tournament.

#### 3.13.13 Debate workshops

The Mayoral debate tournament is regarded as the biggest debate tournament in Limpopo and gives learners a platform to polish their public speaking skills; our tournament is the feeder of most of the debating leagues around Polokwane. The workshops teach new debate teams various techniques along importance of debating, enabling them to exchange arguments with veteran teams.

#### **3.13.13.1 Objectives Training Workshops**

- Debate develops skills and knowledge.
- Develop a sense of ownership of the world and a sense of empowerment as they will know specific global and domestic issues.
- Expose them to a variety of reading materials as they do research for the motions.
- Create a pleasant library experience.

#### **3.13.13.2 Venues:**

Make use of classrooms at various schools so that all the debates can take place on the same day. Perhaps allow juniors to debate the motion first on a single Wednesday in 13 classrooms at a single school or 7 classrooms at two schools. Then followed by the seniors the following week.

Requesting educators or schools to provide an adjudicator as part of registration. The adjudicators from schools would not be allowed to adjudicate their own school though. This would provide extra adjudicators at a single venue that would then adjudicate other schools.

#### **3.13.13.3 Challenges**

- Postponements
- Shortage of adjudicators
- Teachers and learner's workshops

#### **3.13.13.4 Roads and safety Debate (Department of Transport)**

The project was first piloted in 2007 and has since become a feature project of the Road Traffic Management Corporation and Provinces. The Road Safety Debate Competition is aimed at secondary school learners and is conducted in line with the World Style of Debating.

The Competition is initially held at district and provincial levels. The elimination competitions lead to the best learners (not necessarily from the same school) representing their provinces at the national competition held annually. The competition also encompasses participatory education techniques, to encourage learners to identify road safety problems in their communities and to find researched solutions to the problems. The various teams employ different participatory methods such as engineering skills, dramatic arts, arts and crafts skills, public speaking and English language proficiency to present their problems and solutions. The National Competition is held over several days where learners participate in elimination rounds culminating into the semi-finals and final competition.

#### **3.13.14 Polokwane City Library Involvement and participation**

Through the Polokwane Debating Society which was established in 1997 and since then functioned as a spontaneous effort by local students and residents in co-operation with the Polokwane City Library, various departments request our involvement in their tournaments.

#### **3.13.15 Youth Parliament**

Youth Parliament aims at encouraging the youth to actively participate in intellectual dialogue and discourse; through engagement with various relevant stakeholders (i.e. civil societies, local government structures, national government). This level of engagement creates a platform whereby the youth can evaluate government policies and debate their effectiveness as well as level of efficiency. Every debate has a structure; this creates the idea of order and mutual respect amongst competitors.

### 3.13.16 Correctional Center – Funda Mzantsi Championships

Funda Mzantsi is a national reading competition for book clubs, competition spearheaded by the National Library of South Africa (NLSA) through its outreach unit the Centre for the Book (CFB) in collaboration with the Department of Correctional Services in response to a survey conducted by the South African Book Development Council in 2007 which revealed that South Africa was not a reading nation. All reading clubs and offenders participate in all 11 official languages.

#### 3.13.16.1 Activities:

- Debate
- Reading
- Book review
- Spelling Bee
- Story telling

#### 3.13.16.2 Why Funda Mzantsi Competition

- Expose Yourself to New Things
- Self-Improvement
- Improve Understanding
- Preparation to Action
- Gain Experience from Other People
- Tools of Communicating
- Connecting Your Brain
- Boost Imagination and Creativity

Correctional Centre – Regional Competitions (Limpopo, Mpumalanga and Northwest) runs from July to September annually.

#### 3.13.16.3 Correctional Services Inmates (Regional Competitions)

Number of Inmates	Number of Selected Inmates	Officials
300	32	140

Twenty-two (22) inmates that were trained by Polokwane Municipality (Sepedi & Tshivenda) made it to the top 10 to finals.

### 3.13.17 Service Statistics for Libraries; Archives; Museums; Galleries; Community Facilities; Other (Theatres, Zoos, Etc.)

**Table 61: Service Statistics**



Service Objectives  Service indicators  (i)	Outline service targets  (ii)	2021/22		2022/2023		2023/24	
		Target	Actual	Target	Actual	Target	Actual
1. Members/internal users (libraries)		n/a	3337 20972	N/A	4318	N/A	184178
2. Circulation(libraries)		n/a	23226	N/A	567 762	N/A	18816
3. Outreach(libraries)		n/a	20 schools, 18289 children, 99 adults for outreach  1 library week event	N/A	50 Schools and Reading clubs, 3811 children, 326 adults and 181 Educators engaged for outreach program.  1 library week event	N/A	203 Schools and Reading clubs, 19359 children, 919 adults and Educators engaged for outreach program.  1 library week event
4.Museum visitors		7000	5500	5000	2873	2000	3500

**Table 62: Employees: Cultural Services 2023/24**

2022/23					2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No.	Vacancies (Full time equivalents)
0-3	1	2	1	1	0-3	1	2	1	1
06	4	10	4	6	06	4	10	4	6
08	11	41	12	30	08	11	41	12	30

12	29	48	29	19	12	29	48	29	19
13-15	0	0	0	0	13-15	0	0	0	0
16-18	27	39	26	13	16-18	27	39	26	13
19-20	0	0	0	0	19-20	0	0	0	0
<b>Total</b>	<b>72</b>	<b>140</b>	<b>73</b>	<b>69</b>	<b>Total</b>	<b>73</b>	<b>140</b>	<b>72</b>	<b>69</b>

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<sup>11</sup> **Live Visual Art** is a form of visual performance art, in which artists complete a visual art piece in a public performance accompanied by music, dance or similar complementary performance/ambience. The piece may be planned or improvised.

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### 3.14 COMMUNITY SAFETY

#### 3.14.1 BY-LAW ENFORCEMENT & SECURITY

##### 3.14.2 Introduction to By-Law Enforcement & Security

The Municipality has an obligation in terms of Section 152 of the Constitution of the Republic of South Africa, 108 of 1996 to provide safety and a healthy environment to its community. Polokwane Municipality is ensuring the realisation of this obligation through the provision of 24-hour security and Emergency Control Centre services. The SBU further conducts crime awareness campaigns and joint crime prevention operations with other internal and external stakeholders in a way to reduce the levels of crime within the communities, as well as at schools in the form of safety education and school search.

The SBU has established Community Safety Forum (CSF) that meets monthly and share challenges collected to different stakeholders in a quarterly CSF stakeholder consultation meeting for interventions. The SBU protects municipal assets and properties through the deployment of physical security and other security measures that include the CCTV Cameras and electronic access control systems.

**Table 63: By-Law Enforcement and Security Employees**

2022/23					2023/24				
Job Levels	Emp No	Post No	Employee No.	Vacancies (Full time equivalents) (Full time Variances)	Job Levels	Emp No	Post No	Emp No	Vacancies (Full time equivalents) (Full time Variances)
0-3	1	2	1	1	0-3	1	2	1	1
4	2	2	2	0	4	2	2	2	0
5	2	4	2	2	5	2	4	2	2
6	4	6	4	2	6	4	6	4	2
07	32	71	32	39	07	29	71	29	42
9	0	1	0	1	9	0	1	0	1

09	23	36	23	13	09	23	36	23	13
15-13	2	4	2	2	13-15	2	4	2	2
18 -16	35	62	35	27	16-18	34	62	34	28
19-20	-	-	-	-	19-20	-	-	-	-
Total	101	189	101	88	Total	97	189	97	92

**Table 64: By-Law Enforcement & Security Data**

Details	2021/22		2022/23		2023/24	
	Target	Actual	Target	Actual	Target	Actual
Number of Security Committee meetings attended	4	4	4	4	4	4
Number of CSF meetings conducted	12	12	12	12	12	12
Number of CSF Stakeholder Consultation meetings	4	4	4	4	4	4
Number of firearm training sessions of security and traffic officers	2	2	2	2	2	2
Security Risk Assessment	24	24	24	24	24	24

**Table 65: Capital Expenditure 2023/24: By-Law Enforcement & Security**

2023/24 Capital Budget		
Project name	Allocated budget	Status
Supply and installation of CCTV Cameras and fibre network	R798,31	Completed
Procurement of two-way radios	R249,14	Completed
Supply and delivery of CCTV and Access Control maintenance tool kit	R95,88	Completed
Provision of Access control systems and equipment	R500,00	The project not completed and will be re-advertised
Supply and delivery of mobile guard houses	R328,95	The project not completed and will be re-advertised
Purchase of firearms	R200,00	The project not completed and will be re-budgeted

**School safety campaign with different stakeholders (CSF, CPF, SAPS)**



**Safer City Joint Operations Team**



**Stop and check during Safer City Operations**



**New installed cameras at cnr Munnik and Veldspaat street**



New installed cameras at Mankweng community hall



New installed cameras at Ngwako Ramahlodi hall.



**3.14.3 Comment on the Performance of Community Safety Services Overall:**

The SBU is experiencing numerous challenges of community protests on service delivery that distract law enforcement officers from their routine duties, increased cases of cable theft and illegal water connections at rural areas. The challenge will be addressed by speedy filling of the vacant and budgeted posts of Law Enforcement Officers.

**Table 66: Fire services Data**

Details	2019/20		2020/21		2021/22		2022/23		2023/24	
	Actual	Estimates	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate
Total fire attended in the year	675	629	554	N/A	681	N/A	2039	N/A	815	N/A
Total of other incident services attended in a year	96 special services and 103 rescue	N/A	Rescue Calls: 102	N/A	113 Rescue 96 Special Services	N/A	182	N/A	192	N/A
Average turn out time- Rural areas	5 minutes to leave the station	±55min of arrival to the scene	4.3 Min	3Min After receiving the call	3.5	3 Min After receiving a call	3.5 minutes after receiving a call	55 min	3.4	55 min
Average turn out time- Urban areas	2 minutes of receiving a call	±16.34 min of arrival to the scene	4.3 Min	3 Min after receiving the call	3.2	3 Min After receiving a call	3.5 After receiving a call.	15	17	15 min

Fire fighters in post at the year end	82	130	80	130	77	130	79	223	89	223
Total fire appliances at year end	243	243	41	41	22	31 including supporting vehicles	27	30	20	28

There is a difference of the average response time to urban and rural areas as there is one main fire station and one satellite station in the municipality based in town and one satellite Station in Mankweng. The accessibility of rural villages around areas Moletji/Maja, Chuene, Sebayeng Dikgale takes time as they are located far from the available Fire Service Stations. There is drastic reduction of number of fire fighters in the municipality when a three-year comparison is made vis-a-viz the SANS 10090 standard.



Table 67: Community Safety Policy Objectives Taken From IDP

Community Safety Policy Objectives Taken From IDP											
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24	
		Target	Actual	Target	Actual	Actual	Target	Actual	Target	Actual	Target
Service Objective xxx											
Turnout time compared to National guidelines	% Turn out within guidelines (total number of turn outs)	100%	100%	90%	100%	90%	100%	90%	100%	100%	100%
<i>Additional Indicators</i>											
# Training sessions conducted according to programme		3x training programme with total 87 learners of Fire Fighter 1 &2 and Hazmat awareness and operations	3x training programme with total of 87 learners of Fire Fighter 1 &2 and Hazmat awareness and operations	2x training programmes with total of 60 learners of Fire Fighter 1 &2 and Hazmat awareness and operations	2x training programme with total of 60 learners of Fire Fighter 1 &2 and Hazmat awareness and operations	2x training programmes with a total of 60 learners for Fire Fighter 1 &2 Hazmat awareness and Operations completed.	2x training programmes with a total of 60 learners for Fire Fighter 1 &2 Hazmat awareness and Operations completed.	0	3 x Training programme	1x training programme for internal staff for total of 10 learners for Fire fighter 1 & 2, Hazmat awareness and operations	N/A

Community Safety Policy Objectives Taken From IDP											
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24	
	(ii)										
Service Indicators		Target	Actual	Target	Actual	Actual	Target	Actual	Target	Actual	Target
# inspections of buildings conducted/number of buildings compliant to regulations		As per request from building control	752 were done on buildings	245 inspections on new buildings and 86 occupations were supported, as per request from Building Control	100%	952 routine inspections. On new buildings 275. On new buildings. Occupation certification supported were 181.	100%	255 routine inspections conducted: 45 occupations inspection done. 101 fire safety plans received with 49 approved and 52 rejected. 57 flammable liquid installations were inspected.	100%	632 inspections conducted	100%

Community Safety Policy Objectives Taken From IDP											
Service Objectives	Outline Service Targets	2019/20		2020/21		2021/22		2022/23		2023/24	
	(ii)										
Service Indicators		Target	Actual	Target	Actual	Actual	Target	Actual	Target	Actual	Target
% fire safety inspections events conducted per quarter/# compliance inspections		95 event inspections conducted of 56 on medium to high-risk events	100%	44	11 Fire Safety inspections conducted on medium and high-risk events	100%	96 event inspections conducted of on 35 mediums to high-risk events	100%	100%	20	100%

**Table 68: Fire Services Employees**

2022/23					2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	2	2	2	2	0-3	3	4	3	3
6	17	17	5	17	6	17	25	17	17
9	55	200	55	128	10	53	200	53	130
12	16	0	16	0	12	0	0	0	0
13-15	0	0	0	0	13-15	0	0	0	0
16-18	0	0	0	0	16-18	5	12	5	12
19-20	5	12	5	7	19-20	0	0	0	0
<b>Total</b>	<b>216</b>	<b>216</b>	<b>82</b>	<b>133</b>	<b>Total</b>	<b>62</b>	<b>42</b>	<b>62</b>	<b>143</b>

**Table 69: Capital expenditure 2023/24: Disaster Management and Fire Services: Fire Services**

Name of the project	Original budget	Budget Spent	
Acquisition of fire equipment	586 048.00	No spending	The project will be advertised.
Ancillary equipment	292 642.00	292 651.50	219 651.50
Hydraulic equipment	1 564 210.00	1 477 957. 00	1 477 957.00
Multi-purpose branches	321 141.00	No spending	Project will be evaluated
Industrial portable pumps	632 466.00	0	Project
Rescue ropes/ high angle	585 265. 00	513 347.93	513 347.93
<b>Total</b>	<b>R3 991 793.00</b>	<b>2 210 956.43</b>	<b>2 210 956.43</b>

**3.14.4 Comment on the Performance of Fire Services Overall:**

Fire Services was able to respond to ever increasing structural and shack fires through-out the municipal area. Number of community members lose their valuable belongings due to this increasing challenge fires. In view of this situation there is a need for massive education and awareness to ensure that communities become more aware of risks that lead to fire.

### **3.15 DISASTER MANAGEMENT**

#### **3.15.1 Introduction to Disaster Management**

Disaster Management means a continuous and integrated multi sectoral, multi-disciplinary process of planning and implementation of measures aimed at reducing the risk of disasters, mitigating the severity or consequences, ensuring emergency preparedness, achieving rapid and effective response and planning for post disaster recovery and rehabilitation. Communities in informal settlements are the most vulnerable to many of these risks. In order to be able to mitigate, be prepared and effectively respond to emergencies and disasters it is of the utmost importance that Polokwane Municipality implement the disaster management plan.

The focus of the municipality is to implement immediate integrated, appropriate response and recovery measures when events or disasters occur and ensure stakeholders develop and implement integrated disaster risk management plans and risk reduction programmes through coordination of multidisciplinary approach.

Disaster Management has four Key Performance Areas: namely:

- Integrated institutional capacity

It is more of acting, devising plans to actuate disaster risk programmes. Technical planning forum is a good example where different role players consult one another and coordinate their actions on matters relating to disaster management in the municipality.

- Disaster risk reduction

Risk reduction includes measures to prevent and mitigate the danger of known and potential disaster that may occur.

- Disaster risk assessment

It involves processes to identify, assess or evaluate level of risks in the area and develop municipal risk profile which forms part of Disaster Management Plan.

- Response and recovery

Incidents are reported and responded where victims support is offered. The victims of disaster are assessed, and relief items distributed in line with sphere project. In case of declaration, grants applications are made for emergency Municipal Disaster Grants and Reconstruction and Recovery funding allocations.

**Table 70: Disaster Management Objectives Taken from the IDP**

Disaster Management Policy Objectives Taken From IDP											
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21		2021/22		2023/24	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Actual	Target
Service Indicators										100%	100%
(i)	(ii)										
Service Objective xxx											
	Integrated institutional capacity #Technical planning forums	Four advisory forums held	Four advisory forums held	Four forums	Three forums were held	4 forums	Three (03) forums were held	4 forums	Four (4) forums were held	Four Municipal Advisory Forum held.	4 Municipal Advisory Forums
	Preparedness and disaster risk reduction – #public education and awareness	82 awareness campaigns held	123 awareness campaigns held	100	38 awareness, 84 Covid-19 awareness	120	240 COVID awareness were conducted	120	240 COVID awareness were conducted	None	None
	Disaster Risk Reduction – Event risk reduction	100% Low and 48 medium risk events were attended	100% Low and 48 medium risk events were attended	100%	50 medium risks	100%	50 medium risk events	100%	33 Medium risk events	100%	100%

**Table 71: Disaster Management Employees**

Employees: Disaster Management 2023/24									
Job Levels	Employee No	Post No	Employee	Vacancies (Full time equivalent)	Job Levels	Employee No	Post No	Employee	Vacancies (Full time equivalents)
			No					No	
0-3	2	2	1	2	0-3	0	1	0	1
06	3	12	3	16	06	1	11	1	11
09	4	0	4	0	09	5	01	01	01
12	1	1	1	1	12	0	0	0	0
13-15					13-15	0	0	0	0
16-18	1	1	1	1	16-18	1	1	1	1
19-20					19-20	0	0	0	0
Total	10	14	10	20	Total	7	13	3	16

**Table 72: Capital expenditure 2023/24: Disaster Management**

Disaster and Fire - Public Safety			YEAR TO DATE TOTAL ACTUAL			
			TOTAL EXCL. VAT	VAT	TOTAL	
3 Heavy hydraulic equipment2600	3 Heavy hydraulic equipment2600	CRR	1 421 249	213 187	1 634 436	0%
Acquisition of fire Equipment	Acquisition of fire Equipment2600	CRR	1 614 386	242 158	1 856 544	69%
<b>Total Disaster and Fire - Public Safety</b>	0		<b>3 035 635</b>	<b>455 345</b>	<b>3 490 980</b>	<b>69%</b>

**3.15.2 Comment on the Performance of Disaster Management**


Disaster Management does not have any capital project. It has operational projects which include awareness campaigns, relief items and Disaster Management Plan. It has however facilitated Municipal Disaster for funding of roads upgrading and rehabilitation of storm water projects.

### 3.16 SPORT AND RECREATION

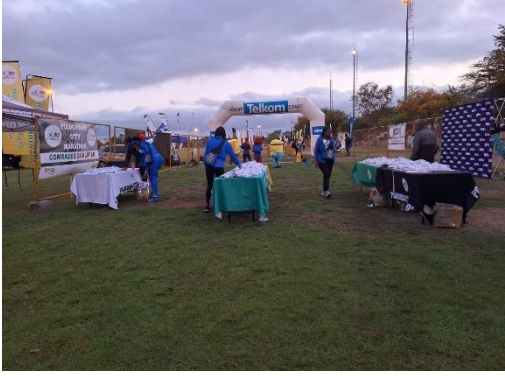
#### 3.16.1 Introduction

Polokwane municipality has over the past two years embarked on the process of taking municipal services to communities. Sport and Recreation programmes are meant to create social cohesion within communities. The programmes are also meant to keep the society healthy through fitness related activities key amongst them being football, netball, athletics and golden games for mass participation.

**Table 73: Sport and Recreation Indicators**

Key Performance indicator  (KPI as per SDBIP for the month of the quarter)	Target Date/ Month  (elaborate on the date passed or not passed)	Progress  (elaborate on the outcomes/results of the activities performed)	Photos
Inter Cluster Golden Games	March 2024	Games were held at the Old Peter Mokaba Stadium	
Mayoral Charity Golf Day	03 May 2024	Hosted at Polokwane Golf Course with over 120 golfers participating to raise funds for needy students	



Key Performance indicator (KPI as per SDBIP for the month of the quarter)	Target Date/ Month (elaborate on the date passed or not passed)	Progress (elaborate on the outcomes/results of the activities performed)	Photos
Mayoral Road Race	27 April 2024	Event held on 27 April 2024	

Due to limited numbers of allowed participants, we may consider hosting events per cluster. Where possible we can host virtual events. Focus can also be shifted to training of more administrators per code.

**Table 74: Sport and Recreation Policy Objectives Taken from IDP**

Sport and Recreation Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2021/22		2022/2023		2023/24	
		Target	Actual	Target	Actual	Target	Actual
<i>Service Indicators</i>							
(i)	(ii)						
Service Objective xxx							
Number of sports events held		18	12	3	18	18	23
Number of sports facilities maintained		39	25	39	18	39	39
number of fully equipped recreational facilities		39	39	39	39	39	39
Number of recreation facilities maintained (Halls)		5	3	5	5	5	5
Number of recreation facilities maintained(pools)		4	3	3	3	4	4
Number of facilities maintained(showgrounds)		1	1	1	1	1	1
Number of sport administrators trained		0	0	2	0	2	0
Number of sport federations hosting sport at national level		6	2	8	0	6	6

**Table 75: Employees: Sports and Recreation 2023/24**

2022/23					2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies (Full time equivalents)
0-3	0	0	0	0	0-3	0	0	0	0
06	2	2	2	2	06	2	2	2	02
09	8	12	8	4	09	8	12	8	04
12	8	12	7	5	12	8	12	7	05
13-15	0	0	0	0	13-15	0	0	0	0
16-18	52	75	56	17	16-18	50	75	56	18
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
<b>Total</b>				<b>28</b>	<b>Total</b>				

**Table 76: Capital Expenditure Sports and Recreation 2023/24**

2023/24 Capital Budget		
Project name	Allocated budget	Status
Construction of Sebayeng/Dikgale Sport Complex	R2 912 174	Contractor Appointed
Procurement of fields maintenance equipment.	R773 827	Project not completed and will be re advertised
Procurement of Sports Fields Poles and Nets	R741 473	Completed
EXT 44/78 Sports and Recreation Facility	R6 086 957	Completed
Upgrading of Mankweng Stadium	R1 456 522	Contractor Appointed
Construction of an RDP Combo Sport Complex at Molepo Area	R8 000 000	Awaiting approval on change of scope
Upgrade of Seshego Stadium	R19 958 471	Completed drainage system, planted grass, Clearview fencing, turnstiles
Construction of Softball Stadium	R5 000 000	Contractor Appointed
Refurbishment of City Pool	R446 913	Completed
Nirvana Swimming Pool Refurbishment	R1 112 218	Completed

Project No.	Key Performance Area	Strategic Objective	Municipal Programme	Project Name / Project Description	Project Location / Municipal Ward	Funding Source	Revised Budget	Actual Project Expenditure (30 June 2024)	Revised Annual Project Output	Performance Comment
CWP 194	Basic Service Delivery	To ensure the provision of basic and environmental services in a sustainable way to our communities	Sports and Recreation	Construction of Sebayeng / Dikgale Sport Complex	Sebayeng/Dikgale	IUDG	R 2 532 325	None	Appointment of Contractor	Target has been met
CWP 196	Basic Service Delivery	To ensure the provision of basic and environmental services in a sustainable way to our communities	Sports and Recreation	Construction of clear view fencing around the playing areas.	Municipal Wide	CRR	N/A	None	No budget allocation	N/A
CWP 197	Basic Service Delivery	To ensure the provision of basic and environmental services in a sustainable way to our communities	Sports and Recreation	Nirvana stadium outside field and ablution facilities	Nirvana	CRR	N/A	None	No budget allocated	Not Applicable
CWP 198	Basic Service Delivery	To ensure the provision of basic and environmental	Sports and Recreation	Procurement of fields	Municipal Wide	CRR	R 773 827	R 773 827	Procurement of field	Target not met due to high number of

Project No.	Key Performance Area	Strategic Objective	Municipal Programme	Project Name / Project Description	Project Location / Municipal Ward	Funding Source	Revised Budget	Actual Project Expenditure (30 June 2024)	Revised Annual Project Output	Performance Comment
		services in a sustainable way to our communities		maintenance equipment's.					maintenance equipment	workloads in the supply chain
CWP 199	Basic Service Delivery	To ensure the provision of basic and environmental services in a sustainable way to our communities	Sports and Recreation	Procurement of Sports Fields Poles and Nets	Municipal Wide	CRR	R 741 473	741 473	Purchased sports fields poles and nets	Project completed as per schedule of works
CWP 200	Basic Service Delivery	To ensure the provision of basic and environmental services in a sustainable way to our communities	Sports and Recreation	EXT 44/78 Sports and Recreation Facility	Extension 44 & 78 Polokwane	IUDG	R 8 675 269	R 8 675 269	Construction of grandstands and change rooms	Grandstand and changerooms constructed
CWP 201	Basic Service Delivery	To ensure the provision of basic and environmental services in a sustainable	Sports and Recreation	Upgrading of Mankweng Stadium	Mankweng	IUDG	R 1 266 000	None	Appointment of contractor	Contractor appointed

Project No.	Key Performance Area	Strategic Objective	Municipal Programme	Project Name / Project Description	Project Location / Municipal Ward	Funding Source	Revised Budget	Actual Project Expenditure (30 June 2024)	Revised Annual Project Output	Performance Comment
		way to our communities								
CWP 202	Basic Service Delivery	To ensure the provision of basic and environmental services in a sustainable way to our communities	Sports and Recreation	Construction of an RDP Combo Sport Complex at Molepo Area	Molepo	IUDG	R 6 956 000	None	Construct earthworks for athletic tracks and repair erosion damage	Target not met, change of scope of work not approved
202A	Basic Service delivery	To ensure the provision of basic and environmental services in a sustainable way to our communities	Sport and Recreation	Upgrade of Seshgo Stadium	Seshego	CRR	R 19 958 471.23	R 9 824 438	Drainage System and Planting of grass	Target achieved with drainage system, grassing, clearview fencing, turnstiles completed

### **3.15.2 Comments of Sports and Recreation Performance overall**

There has been a considerable attraction of events into most of the facilities in the municipality, including the Peter Mokaba Sport Complex which hosted Premier Soccer League (PSL) matches and competitions, some of the major events were political rallies held. The Old Peter Mokaba stadium hosted both PSL and first division matches, athletics events, big conferences by churches. The sport and recreational facilities usage has increased in 2023/2024 and there is improvement in relation to revenue generated. The application of the tariff book has since improved as less, and less free usage of municipal facilities are granted thereby increasing revenue in relation to usage. Seshego Stadium was upgraded in the 2023/2024 and its final completion is scheduled to be in the first quarter of 2024/2025. The facility will host major events such as football and related activities

### **3.16 ENVIRONMENTAL HEALTH**

#### **3.16.1 Introduction to Environmental Health**

Environmental health function or purpose is to ensure a clean, healthy and safe environment free from health hazards that can compromise the health, safety and well-being of the communities, with greater emphasis on prevention of diseases, monitoring of quality of water, ensuring wholesome foods, pollution and hazard free environments, vector free environments and creation of environments that are conducive for vulnerable groups such as children and the elderly through:

- Health surveillance of premises
- Surveillance and prevention of communicable diseases (excluding immunisations)

Environmental pollution, including the following:

- Water quality monitoring
- Air quality management
- Noise management
- -Vector control
- -Community participation and involvement
- -Disposal of the dead
- -Chemical safety
- -Client and information service centre

Polokwane Municipality provides environmental health services only for the "City area". The Services in the other areas are done by the Capricorn District Municipality (CDM). There is a service level agreement entered into between the Polokwane Municipality and Capricorn District Municipality in July 2021 as it is a district function. The devolution process is not completed and on the service level agreement it was indicated that in a period of two (2) years it should be finalised.

The relocation of Environmental Health Services to the District Municipality will have a negative impact on Polokwane because of the different work activities and co-operation with other SBUs.

Services rendered are inter alia control and monitor of food premises, food control, food sampling, inspection of schools and pre-schools, inspection of accommodation establishments and air pollution control. The National Health Act 61/2003 sec 34 determine that "until a service level agreement contemplated in sec 32(3) is concluded, municipalities must continue to provide, within the resources available to them, the health services that they were providing in the year before this act took effect".

**Table 77: Environmental Health Employees**

2022/23					2023/24			
Job level	Employees No	Posts	Employees No	Vacancies (fulltime equivalents) No.	Employees No	Posts	Employees No	Vacancies (fulltime equivalents) No.
0-3	1	1	1	1	0-3	1	1	1
06	1	1	1	1	06	1	1	1
	4	4	4	4		4	4	4
12	0	0	0	0	12	0	0	0
13-15	0	0	0	0	13-15	0	0	0
16-18	0	0	0	0	16-18	0	0	0
19-20	0	0	0	0	19-20	0	0	0
Total	6	5	6	5	Total	6	5	6



**Table 78: Environmental Health Objectives Taken from IDP 2023/24**

KPI No	KPA	Pillar	Municipal IDP Priority	IDP Strategic Objective	Municipal Programme	Operating Strategy	Key Performance Indicator (KPI)	Unit of Measure (UoM)	Performance Baseline 2022/23	Annual Target 2023/24	Actual Performance 2023/24
BSD_TL11	Service Delivery	Smart Environment	Development of municipal capacity to manage disaster risk and protection of environment	To ensure the provision of basic and environmental services in a sustainable way to our communities	Community Health	Obtain authorization from Capricorn District Municipality to render the service on their behalf	Number of Health (Food premises and outlets) Inspections conducted by 30 June each year	#	476	1540	

### **3.17 TRAFFIC AND LICENSES SERVICES: 2023/24**

#### **3.17.1 Introduction to Traffic Police**

The Constitution of the Republic of the South Africa 1996 under section 156 provides for an executive authority to the Municipality in respect of and the right to administer local government matters listed in Part B of schedule 5, which includes enacting municipal By-laws and any other duties as assigned thereto by National or Provincial legislation. (Section 156 (1)(a)(b) and section 156 (2) National Road Traffic Act: 1996 (Act 93 of 1996) chapter II implies the application of the Act and minimum requirements in ensuring appointment of authorised officers namely:

- Traffic officers
- Examiners of licences
- Examiners of vehicles
- Traffic wardens within the municipal jurisdiction and the establishment of registering authorities, vehicles testing centres and traffic law enforcement centres.

(Section 3 of the National Road Traffic Act, 93 of 1996 under chapter 2 thereof)

Criminal Procedures Act: Act 51 of 1977 section 334 of the same Act provides for declaration by the Minister of Police to be peace officers for specific purposes and liabilities coupled with the manner in ensuring or effecting a specific function in line with such an Act.

Municipal Finance Management Act 56 of 2003

The municipality is vested with authority to generate revenue from the services it renders and ensure intergovernmental relations on budgetary issues. (Section 37(1) & (2)

Other- Authority Prescripts:

Municipal By-laws enacted by municipalities on issues such as parking management and related activities (Banners and advertising boards)

#### **3.17.2 Matters of Importance**

Traffic and Licences services are vital services that are keen in creating a safer environment to the Community. The following key performance area are of importance:

- Providing law enforcement to the community
- Ensuring safer roads through education and awareness campaigns.
- Enforcing municipal By-laws in related to parking, land -use and infrastructural designs.
- Traffic control at congested areas, events and related activities occurring on road surfaces thus eliminating hindrances to exits and entrances in the entire municipality.
- Ensuring driver and vehicular fitness.

### 3.17.3 Traffic and Licences: 2023/24 Personal data

The municipality has a total of 451 positions for Traffic and Licences of which 176 thereof are filled and 275 still vacant. We are having 451 positions only 206 were budgeted for in the 2023/24 financial year with 25 positions thereof budgeted but not yet filled.

**Table 79: Traffic and Licenses Vacancy Analysis Rate as of 30 June 2024**

Employees: Traffic 2022/23				Employees: Traffic 2023/24			
Job levels	No of incumbents	No of posts	Vacancies	Job levels	No of incumbents	No of posts	Vacancies
0-3	3	3	0	0-3	03	03	0
06	9	12	3	06	9	12	3
09	83	224	141	09	80	225	144
12	75	193	117	12	75	193	117
13-15	0	0	0	13-15	0	0	0
16-18	8	19	11	16-18	8	19	11
19-20	0	0	0	19-20	0	0	0
Total	178	451	270	Total	175	452	275

**Table 80: Traffic and Licensing Employees**

Employees: Traffic 2022/23			
Job levels	No of incumbents	No of posts	Vacancies
0-3	03	03	0
4-6	9	12	3
7-9	83	224	141
10-12	75	193	117
13-15	0	0	0
16-18	8	19	11
19-20	0	0	0
Total	178	451	270

**Table 81: Traffic Police Service Data**

Curbing activities	accidents	No of officers on average day	Statistical baseline 2021/22	Statistic outcome 2022/23	Statistics Outcome 2023/24
Road safety awareness campaigns		05	56	56	56
Parking and enforcement of municipal by-laws		16	Total number of 3515 parking fines issued in 2020/21 financial year	Total number of 3926 parking fines issued in 2021/22 financial year	12611
Traffic law enforcement infringements		80	19852	19777	15780
Total number of road traffic check points, speed checks, stop & search activities conducted		80	180	210	167
Impoundment of vehicles		96	406	113	218
Testing of vehicles		2	800	1582	38
Testing of learner's licences		7	950	6449	10080
Testing of driving licenses		15	200	549	4536

**Table 82: Capital budget 2023/24 (allocation & expenditure)**

Project name	Allocated budget	Expenditure at the end of June 2024
Upgrading of city Traffic and Licensing centre	11 038 338.00	R9 470 904
Procurement of 2 X Equipped mobile bus	R1 244 318.00	R0.00
Container Mankweng Traffic	R782 000.00	R781 989.60

**Table 83: Traffic Police Service Data**

Traffic Police Service Data					
Details	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual No.	Actual No.	Actual No.		
Number of road traffic accidents during the year	1830	1693	2341	1780	1681
Number of By-laws infringements attended	2035	2019	3515	10996	12611
Number of Traffic officer officers in the field on an average day	102	97	96	94	91
Number of Traffic officers on duty on an average day	90	97	96	94	85

### 3.17.4 Overall Comments: Traffic and Licences

The SBU has taken efforts to address all key performance areas with the little resources at hand. The SBU has achieved good working relations with other Strategic Business Units and Departments (both at National and Provincial). There is a need for additional personnel and budget to cater for duties on a 24/7 basis.

## 3.18 HUMAN RESOURCES

### 3.18.1 Introduction to Human Resources

All organisations are made up of human capital and human resources functions are about acquiring the service of people, developing their skills, motivating, and making sure that they continue to maintain their commitment towards the organisation. Human Resources is concerned about management of employees from recruitment to retirement and all other activities supports these major functions.

The Human Resources strategic business unit has split into two components, i.e. Human Resources Development which is responsible for Organisational Development, Learning and development Employee Wellness and Individual Performance Management; Human Resources Management which is responsible for Personnel Administration, Recruitment, Labour Relations, and Occupational Health and Safety.

Recruitment plays an important role in finding skills, adapt to change and reduce turnover. The focus in the financial year in review was on recruitment. The development of employees and capacity building around finances, which formed part of a response to National Treasury's request to comply with the MFMA Competency Framework. The development of Councillors on MFMP as well as leadership programs which is in line with capacity building as enshrined in the Upper Limits was also implemented.

### 3.18.2 Performance as Per Area of Focus.

#### Recruitment:

The number of budgeted positions at the beginning of the financial year was standing at 557 and 32 positions were filled at the end of the financial year.

**Organisational Development:**

The focus was on job evaluation and Polokwane Municipality has submitted 732 job descriptions for evaluation by the SALGA led District Job Evaluation Committee and 652 have been evaluated and 530 at the Provincial Audit Committee, and 123 Moderated jobs.

**Training and Development:****Learnerships:**

During the financial 2023/2024 there were no learnership programs, instead, Work Integrated Learning was implemented.

**Work Integrated Learning:**

During the financial 2023/2024 the Municipality provided a workplace for 6 learners on Work Integrated Learning.

**Internships:**

The following internship programmes were implemented in the financial year 2023/2024:

- Municipal Finance Management Internship Programme undertook 14 Interns on a 3-year programme;
- Infrastructure Skills Development Grant Internship Programme undertook 9 Interns on a 3-year programme,
- Two hundred and forty-seven (247) learners were placed by Polokwane Municipality and funded by DFFE

**Trainees:**

Thirty (30) trainees were recruited.

**National Treasury Compliance**

Hundred and sixty-five (165) employees have met the Municipal Finance Management Programme requirements as per National Treasury requirements. Fifteen (15) councillors have attended Municipal Finance Management Programme and submitted their POEs, and they are waiting for results. Thirty (30) employees will be enrolled for MFMP programme in the next financial year.

**Training**

Hundred and forty-two (142) employees and twelve (12) councilors were trained as per approved Workplace Skills Plan for 2023/2024.

**Occupational Health and Safety:**

The focus area was compliance to Occupational Health and Safety, its regulations and Compensation for Occupational Injuries Diseases Act by the Polokwane Municipality and their employees. During this period 91 injury on duty were reported with Six Hundred and Twenty-Four days lost (624). The direct cost (salary only) for these injuries was R403 647 97. These injuries have shown a decrease from the previous year with the total no of injuries as well as the days lost being less.

## Employee Assistance Programme:



The objective of the Employee Assistance Programme (EAP) is the provision of psychosocial support to employees and their immediate families and promotion of productivity in the organization. Services that were offered include counselling and referral services, as well as implementation of wellness programmes.

The information sharing sessions are focused on topics related to social issues that may affect employees such as: personal financial management, conflict resolution skills, trauma and bereavement debriefing, interpersonal relations, communication and supervisory workshops. service marketing of EAP, dealing with loss, personal hygiene, bereavement, peer educators programme, substance abuse awareness programmes, men's and women's dialogues, gender-based violence and HIV & AIDS, and stress management.

### During the 2023/2024 financial year EAP facilitated the following:

#### 1. Psycho-social support, assessment and intervention:

44 individual cases. Amongst the cases handled, there has been a significant increase in mental health, trauma and bereavement cases, substance and financial distress-related cases and workplace poor interpersonal relations related cases

#### 2. Health and Productivity Management: Proactive programmes

- ✚ **Men's Dialogue:** 877 Male Employees participated in the men's dialogue. The emphasis was more on the role men play to curb/perpetuate gender-based violence and highlighting the impact of mental health on men's wellbeing
- ✚ **Prostate and Cancer awareness campaign:** 87 male employees participated in the awareness campaign. The session was aimed at raising an awareness on the impact of early detection and chronic disease assessment
- ✚ **Financial planning:** 53 employees participated in the financial literacy workshop focusing more on retirement planning, saving, budgeting and debt management
- ✚ **Chronic and lifestyle disease management:** 33 employees participated in the healthy lifestyle management session focusing on hypertension management and obesity
- ✚ Health screening 3 health screening and assessment: 218 employees participated in the health screening campaigns.
- ✚ **HIV/AIDS Awareness Campaign** a total number of 22 employees participated in the HCT

- ✚ A total of 4 Articles compiled and published through Municipal newsletter focusing on health and productivity, cancer awareness, men's health and financial wellness.

**Table 84: Municipal Transformation Targets**

Service Objectives	Outline Service Targets	2022/23		2023/24	
		Target	Actual	Target	Actual
Service Indicators					
(i)	(ii)				
% Senior Managers (MM and S56) with signed performance agreements		100%	100%	100%	100%
# formal individual assessment sessions conducted (Senior Managers)		2	2	2	2
% Employees (Excluding the MM and S56 Managers) with signed performance agreements		N/A	N/A	100%	100%
# formal individual assessment sessions conducted (All other Employees Excluding Senior Managers)		N/A	N/A	1	0
# people from employment equity groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan		0	0	7	7
Employment Equity report developed and submitted on time		1 Employment equity report submitted	1 Employment equity report submitted	1 Employment equity report submitted	1 Employment equity report submitted



**Table 85: Employees: Human Resources Service 2023/24**

2022/2023					2023/24				
Job levels	Employee No	Post No	Employees No	Vacancies	Job levels	Employee No	Post No	Employees No	Vacancies (full time equivalents)
0-3	7	9	7	2	0-3	5	10	5	5
06	18	32	18	14	06	18	32	18	14
09	16	20	16	4	08	16	20	16	6
12	5	6	5	1	12	5	6	5	1
13-15	-	-	-	-	13-15	-	-	-	-
16-18	-	-	-	-	16-17	-	-	-	-
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
Total	46	67	46	21	Total	44	68	44	24

Job levels	Employee No	Post No	Employees No	Vacancies	Job levels	Employee No	Post No	Employees No	Vacancies (full time equivalents)
0-3	7	9	7	2	0-3	5	10	5	5
4-6	20	32	20	12	4-6	18	32	18	14
7-9	16	20	16	4	7-8	16	20	16	6
10-12	5	6	5	1	10-12	5	6	5	1
13-15	0	0	0	0	13-15	-	-	-	-
16-18	0	0	0	0	16-17	-	-	-	-
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
Total	48	67	48	19	Total	44	68	44	24

### **3.19 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES**

#### **3.19.1 Introduction to Information Technology (ICT) Services**

The Information and Communication Technology Strategic Business Unit is responsible for the development and support of municipal information systems and ensure that critical information maintained by these systems is accessible and secured all the time. This is achieved through the provision of infrastructure hardware and software which are in line with the municipality policies and standards. This will ensure that the municipality leverage on the available technologies to deliver services effectively and efficiently.

The unit has the following subunits:

- Infrastructure
- Information Systems
- Records Management

#### **ICT Steering Committee**

The Information Service unit also to the ICT Steering Committee. The committee's composition is as follows:

- Chairperson: Independent person who is not in the employ of the municipality
- All Municipal Directors: Members
- Manager: Information and Communication Technology: Secretary
- Manager: Internal Audit.
- Manager: Risk Management

#### **ICT Strategic Aims**

The ICT Small Business Unit (SBU) aims to ensure that the Information and Communication Technology assets are operational and deliver the required performance on a daily basis in order to provide an enabling environment that allows business functions to operate. The below figure shows the strategic objectives alignment to ICT strategic objectives.



### Strategic Objectives Alignment

The strategy aims to ensure ongoing support to the municipal users by means of improved service delivery, by achieving the following objectives:

- Objective: To provide integrated ICT solutions.
- Description: To make municipal services more accessible on e-services (i.e. online), which will reduce the cost of accessing the services and improve turnaround times and strengthen accountability and responsiveness.
- Objective: To enhance ICT Infrastructure and develop smart technology solutions.
- Description: To design, develop, implement and maintain the hardware, software, data centre and a high-speed communication network in keeping up with emerging technological trends in order to enhance the performance of service delivery.
- Objective: To continuously improve in the development and implementation of ICT Governance.
- Description: To continuously implement, evaluate and monitor Corporate Governance of ICT Policy Framework in order improve the ICT SBU's operations.
- Objective: To provide a secured ICT infrastructure that assures integrity, confidentiality, and availability of municipal data, information and knowledge.
- Description: To continuously enforce the implementation ICT security Framework across all hardware and software in order to protect data as a municipal asset.

Implement Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF):

- Phase 1 - Create an enabling environment for the implementation for the Corporate Governance of ICT and Governance of ICT.

Information and Communication Technology Steering Committee was in place with 4 quarterly meetings held for the period under review.

Information and Communication Technology Policies are in place.

- Phase 2 - Strategic alignment (Collaboration of ICT and Business) was completed and the governance documents were adopted by council.

The Municipality has adopted an Information and Communication Strategic Plan for the next five (05) years. The first year of implementation will be the 2023/24 Financial Year.

Enterprise Architecture project as part of the CGICTPF.

- Phase 3: Continuous improvement of governance and strategic alignment arrangements

The ICT Policies, Disaster Recovery Plan and ICT Business Continuity were adopted by Council for Implementation.

2022/23					2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employee No	Vacancies (Full time equivalents)
0-3	3	5	3	2	0-3	3	5	3	2
04	11	12	12	1	04	11	12	11	1
07	10	14	10	4	07	10	14	10	4
10	7	13	8	7	10	8	13	8	5
13-15	1	1	1	0	13-15	1	1	1	0
16-18	1	2	1	1	17	1	2	1	1
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
Total	33	47	33	14	Total	34	47	34	13

## **CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE**

### **COMPONENT A: MUNICIPAL PERSONNEL**

#### **4.1 Introduction to the Municipal Personnel**

The staff compliment of the municipality according to the staff establishment was totalling 1924 as at the end of the year under review i.e., 2023/2024. The tables below depict the picture of the organisational development of Polokwane Municipality for the year under review.

##### **4.1.1 Employee Totals, Turnover, and Vacancies**

The Staff Turnover for the year 2023/24 was at 4.23% when the financial year ended, which represents termination of 84 employees and the vacancy rate was at 60,67%. The high vacancy rate is because of the total approved positions on the organisational structure not necessarily the budgeted positions. When considering the total budgeted positions of 622, the vacancy rate is at 12.71%, which means the remaining 47,95% is non-budgeted. The turnover rate and the vacancy rate are based on the organisational structure which was approved with 4892 positions. The tables below provide detail information on the organisational development of Polokwane Municipality.

**Table 86: Employees: Human Resources Service 2023/24**

Job levels	Employee No	Post No	Employees No	Vacancies	Job levels	Employee No	Post No	Employees No	Vacancies(full time equivalents)
0-3	7	9	7	2	0-3	18	32	18	14
4-6	20	32	20	12	4-6	16	20	16	6
7-9	16	20	16	4	7-8	5	6	5	1
10-12	5	6	5	1	10-12	-	-	-	-
13-15	0	0	0	0	13-15	-	-	-	-
16-18	0	0	0	0	16-17	N/A	N/A	N/A	N/A
19-20	N/A	N/A	N/A	N/A	19-20	44	68	44	28
Total	48	67	48	19	Total	18	32	18	14

**Table 87: Municipal Employees per Directorate**

Description	2020/21				2021/22			2022/23			2023/24	
	No Vacancies	No. Employees	No of Approved Posts	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No Employees	No of Approved Post
Water and Wastewater (Sanitation)	91	403	312	84	408	324	92	321	413	275	111	384
Electricity (Energy)	51	147	198	40	198	158	43	155	198	112	154	266
Waste Management		185	162	23	195	381	39	156	195	394	149	543
Housing	15	27	15	15	27	36	3	18	36	19	17	36
Waste Water (Storm water Drainage)	7	31	24	7	31	22	9	22	31	7	20	31
Roads	42	15	117	144	15	23	109	132	23	219	85	300
Transport	13	14	23	14	9	13	23	10	13	29	11	40
Planning	22	22	17	5	27	21	5	21	28	52	16	68
Local Economic Development	0	20	20	0	20	19	1	19	20	18	28	46
Community & Social Services	75	65	12	75	65	73	16	73	89	69	71	140



Description	2020/21				2021/22			2022/23			2023/24	
	No Vacancies	No. Employees	No of Approved Posts	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No of Approved Posts	No Employees	No Vacancies	No Employees	No of Approved Post
Environmental Protection	10	182	172	10	182	164	44	164	208	524	157	681
Health	1	7	6	1	7	6	1	6	7	3	6	9
Security and Safety	23	123	100	23	156	104	53	104	156	91	98	189
Sports and Recreation	23	143	133	10	143	118	32	118	150	113	115	228
Corporate Policy Offices and others	120	460	364	120	96	423	380	423	803	168	247	415

Employees										
Description	20/21		21/22		22/23			2023/24		
	No. Employees	No. Approved posts	No. of employees	No of Approved Posts	No. Employees	No of Approved Posts	No Vacancies	No. Employees	No of Approved Posts	No Vacancies
<b>Social Services</b>	78	29	77	89	12	1505	1799	875	639	1516
Sub-Total	1901	2265	2021	2372	351	1987	2528	2968	1924	4892

<b>Employees</b>										
<b>Description</b>	<b>20/21</b>		<b>21/22</b>		<b>22/23</b>			<b>2023/24</b>		
	<b>No. Employees</b>	<b>No. Approved posts</b>	<b>No. of employees</b>	<b>No of Approved Posts</b>	<b>No. Employees</b>	<b>No of Approved Posts</b>	<b>No Vacancies</b>	<b>No. Employees</b>	<b>No of Approved Posts</b>	<b>No Vacancies</b>
Headings follow the order of services as set out in Chapter 3. Service totals should equate to those included in the chapter 3 employee schedules. Employee and approved posts numbers are as at 30 <sup>th</sup> of June 2024. Note: The municipality had 622 budgeted positions and 2346 non- budgeted positions as at the end of the financial year.										

**Table 88: Municipal Vacancy Rate**

<b>Designation</b>	<b>Vacancy Rate 2021/22</b>			<b>Vacancy Rate 2022/23</b>			<b>Vacancy Rate 2023/24</b>		
	<b>*Total approved posts No.</b>	<b>*Variances (Total time that vacancies exist using fulltime equivalents) No.</b>	<b>*Variances (as a proportion of total posts in each category)</b>	<b>*Total approved posts No.</b>	<b>*Variances (Total time that vacancies exist using fulltime equivalents) No.</b>	<b>*Variances (as a proportion of total posts in each category)</b>	<b>*Total approved posts No.</b>	<b>*Variances (Total time that vacancies exist using fulltime equivalents) No.</b>	<b>*Variances (as a proportion of total posts in each category)</b>
Municipal Manager and council	1	0	1	1	0	1	1	1	0
CFO	1	0	1	1	0	1	1	1	0
Other S57 Managers	9	4	5	9	4	5	11	6	5

Vacancy Rate 2021/22				Vacancy Rate 2022/23			Vacancy Rate 2023/24		
Designation	*Total approved posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category)	*Total approved posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category)	*Total approved posts No.	*Variances (Total time that vacancies exist using fulltime equivalents) No.	*Variances (as a proportion of total posts in each category)
Other S57 Managers (Finance Post)	0	0	0	0	0	0	0	0	0
Senior Management (Level 1-3 finance post)	19	21	2	21	20	1	22	18	4
High Skilled Supervision: level 4-6 excluding finance post	35	11	24	35	13	22	34	24	10
High Skilled Supervision: level 7-13 finance post	108	153	45	108	155	47	155	108	47
Grand -Total	180	29	151	183	39	144	220	137	38

**Table 89: Municipal Employee Turn -Over Rate**

Details	Total Appointments as of the beginning of financial year No.	Termination by June 2023	Details	Total Appointments as of the beginning of Financial year No.	Termination by June 2024
2020/21	2054 (end of financial year)	69	2020/21	247	62
2021/22	2056 (end of financial year)	62	2021/22	84	46
2022/23	2021 (end of financial year)	46	2022/2023	46	67
2023/24	1924 (end of financial year)	67	2023/2024	43	84

**4.2 Comment on Vacancies and Turnover:**

The total staff complement based on the reviewed organizational structure of **4892** positions stands at **1924** with a turnover rate of **4.23%**. The vacancy rate is at **60,71%**.

## **COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE.**

### **4.3 Managing the Municipal Workforce.**

#### **4.3.1 Introduction to Municipal Workforce Management.**

The aim of the Employment Equity Act, 1998(Act No.55 of 1998) (EEA) is to facilitate transformation within the workplace. Polokwane Municipality views employment equity as a strategic priority and it recognizes it as an important measure against which a Smart City and a world class organization is benchmarked. Polokwane Municipality supports the creation of an equitable working environment, with the dignity of all employees respected and the diversity of employees valued and properly managed.

The transformation and the successful management of diversity will bring in a competitive advantage that will deliver a stronger, more cohesive, and more productive Municipality. It contributes to greater employee satisfaction and commitment resulting in lower staff turnover and stronger customer and stakeholder orientation and satisfaction. MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. In implementing such the Municipality should be realistic for these programmes to be achievable. They should be based on accurate information regarding race, gender and disability and reflect the demographics within Polokwane Municipality.

The Municipality has developed an Employment Equity Plan as required by the Act. The aims are to ensure that positive measures envisaged in the Act are implemented within the Municipality. Although targets have been met in terms of previously disadvantaged people there is a need to be deliberate in the implementation by targeting the promotion of women and disabled in our recruitment process.

#### 4.3.2 Policies

**Table 90: HR Policies & Plans**

	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%	N/A	Enforced by the Employment Equity Act and the Plan
2	Code of conduct for employees	100%	N/A	Local Government Systems Act (Schedule in the Act)
3	Business Code of Ethics	100%	Underway	22/06/2006
4	Bursary	100%	Underway	07/06/2013
5	Bereavement Policy	New	Underway	Pending Council Approval
6	Delegations, Authorization & responsibility	100%	Underway	17/08/2006
7	Disciplinary Code & Procedures	100%	N/A	SALGBC (Collective agreement)
8	Essential Services	Agreement expired	Underway	Agreement at the Sub-committee of the Local Labour Forum (2018/2019)
9	Employee Assistance/ wellness	100%	Underway	07/06/2013
10	Employment Equity	100%	N/A	Enforced by the Employment Equity Act and the Plan
11	Exit Management	100%	Underway	Recruitment Policy (28/02/2022)
12	Grievance Procedures	100%	N/A	SALGBC (Collective Agreement)
13	HIV/AIDS	100%	Underway	22/06/2006
14	Human Resource Management Plan	100%		18/03/2015
15	Information Technology	100%		
16	Job Evaluation	100%	N/A	SALGA
17	Leave policy	100%	Underway	29/05/2023
18	Occupational Health & Safety	100%	Underway	28/03/2018
19	Official Housing	100%	N/A	SALGBC (Collective Agreement)
20	Official Journeys, Travelling Scheme	100%	Underway	Subsistence & Travelling Policy (29/05/2023)
21	Official Transport to attend funerals	New	Underway	Pending Council Approval
22	Official working hours and overtime	100%	Underway	Overtime Policy (28/03/2018)

	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
23	Organizational rights	100%	N/A	SALGBC Main Collective Agreement
24	Overtime Policy	100%	Underway	28/03/2018
25	Payroll Deductions	100%	N/A	SALGBC/BCEA
26	Performance Management & Development	100%	Underway	29/05/2023
27	Recruitment, selection & Appointments	100%	Underway	Recruitment Policy (28/02/2022)
28	Remuneration Scales & Allowances	100%	N/A	SALGBC
29	Resettlement	100%	Underway	Recruitment Policy (28/02/2022)
30	Sexual Harassment	100%	N/A	Labour Relations Act
31	Skills development	100%	Underway	Skills Development Act
32	Smoking	100%	Underway	OHS Policy (28/03/2018)
33	Scare Skills Policy	100%		28/03/2018
34	Work Organization	New	Underway	Organizational Design Policy (Pending Council Resolution)
35	Uniforms & protective clothing	100%	Underway	OHS Policy (28/03/2018)
36	Life Threatening Diseases Policy	100%	Underway	07/06/2013
37	Management of HIV/AIDS in the workplace	100%	Underway	LRA. Code of Good Practice
	Use name of local policies if different from above and at any other HR policies not listed T4.2.1			

#### 4.3.3 Comment on Workforce Policy Development:

The organisation has policies and procedures in place which are essential. These policies together with procedures lays the basis for the organisation to function. They ensure compliance to the laws and regulation, give guidance to decision-making. They also help in streamlining internal processes as well as creating awareness amongst employees and other key stakeholders.

#### 4.4 Injuries, sickness, and suspensions 01 July 2023 to 30 June 2024

**Table 91: Number and Cost of Injuries on Duty**

Type of injury	Injury leave taken Days	Employees using injury leave	Proportion employees using sick leave %	Average injury leave per employee Days	Total estimated cost R`000
Required basic medical attention only	59 days	35 employees	35 out of 38 = 92%	0-2 days for 35 employees	±R 34 959, 69
Temporary total disablement	51 days	3 employees	3 out of 38 = 7,8%	15-22 days for 3 employees	±R16 736, 88
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>110 days</b>	<b>38</b>	<b>99.9%</b>	<b>17 days</b>	<b>±R51 695, 88</b>

**Table 92: Number and cost of injuries on duty (For more than 3 days)**

Type of injury	Injury leave taken (Days)	Employees using injury leave	Proportion employees using sick leave %	Average injury leave per employee (Days)	Total estimated cost (R,000)
Required basic medical attention only	349 days	51 employees	51 Out Of 56 0,91	3-22 days for 51 employees	±R192 609, 50
Temporary total disablement	216 days	5 employees	5 out of 56 0,089	23 upward days for 5 employees	±R 159 342, 59
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0



Type of injury	Injury leave taken (Days)	Employees using injury leave	Proportion employees using sick leave %	Average injury leave per employee (Days)	Total estimated cost (R,000)
	565 days	56	99,90%	13 days	±R351 952, 09

#### 4.4.1 Comment on Injury and Sick Leave:

Recorded injuries for the period 2023/2024 financial year show a decrease from 100% to 99% and man days lost has also decreases from 3277 to 624.The situation has also decreased the cost from R844 013, 77 to R403 647, 97.

**Table 93: Number of days and cost of sick leaves (excluding injuries on duty)**

Designations	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per employees	Estimated cost
Top Management	11	0 0,0%	3	6	3,666666667	<b>R51 506,98</b>
Senior management	643	83 12,91%	55	98	11,69090909	<b>R1 525 363,60</b>
Middle Management	1809	180 9,95%	142	200	12,73943662	<b>R2 997 433,83</b>
Junior Management	7627	1024 13,43%	548	779	13,91788321	<b>R2 385 844,43</b>
Semi-Skilled	544	20 3,68%	36	80	15,11111111	<b>R54 999,67</b>
Unskilled	4560	381 8,36%	312	761	14,61538462	<b>R2 095 072,71</b>
<b>TOTAL</b>	<b>15 194</b>	<b>1688 11,11%</b>	<b>1096</b>	<b>1924</b>	<b>13,86313869</b>	<b>R9 110 221,22</b>

#### 4.4.2 Comment on Injury and Sick Leave:

Recorded injuries show a decrease of up to 99% from 100% and man days lost decreased from 133 to 91 reported injuries and from 3151 to 624 total number of days lost.

#### 4.4.3 Suspensions and Cases of Financial Misconduct

**Table 94: Number and period of suspensions 2023/24**

Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
Manager Operations and Planning	Allegations of misconduct relating to poor management of contracts, and Procurement irregularities.	20 Jul 2022	<ul style="list-style-type: none"> <li>The disciplinary hearing has been finalised.</li> <li>The employee resigned in the face of her disciplinary hearing</li> </ul>	09 July 2024
Senior Recruitment Officer	<ul style="list-style-type: none"> <li>Gross dishonesty</li> <li>Derelictions of duties</li> <li>Gross Negligence</li> </ul>	24 Feb 2023	<ul style="list-style-type: none"> <li>Disciplinary hearing closed.</li> </ul> <p>The employee was found guilty and dismissed</p>	14 June 2024
Assistant Manager Clusters	<ul style="list-style-type: none"> <li>Dereliction of duties</li> <li>Sexual harassment</li> </ul>	6 Dec 2022	<ul style="list-style-type: none"> <li>Case ongoing</li> <li>The Chairperson was released from proceeding with the case as he was also suspended where he works.</li> <li>The employer representative also resigned, and a new employer representative had to take over. The case is at final stage. Employer closed its case</li> </ul>	Not finalised. Ongoing
Artisan	<ul style="list-style-type: none"> <li>Incapacity (ill health)</li> </ul>	March 2022	<ul style="list-style-type: none"> <li>The employee is on suspension pending psychiatrist evaluation report.</li> <li>The legal opinion has been issued.</li> </ul>	<p>Not finalised</p> <p>Ongoing</p>

Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
Assistant Manager Recruitment	<ul style="list-style-type: none"> <li>Gross dishonesty</li> <li>Gross negligence</li> <li>Gross dereliction of duties</li> <li>Failure to provide documents when requested by external investigators</li> </ul>	27 Feb 2023	<ul style="list-style-type: none"> <li>Disciplinary ongoing</li> <li>Parties have submitted heads of Arguments</li> <li>Awaiting outcome</li> </ul>	Not finalised Ongoing
Special Workman Roads and Transport	<ul style="list-style-type: none"> <li>Fraud</li> </ul>	16 Jan 2023	<ul style="list-style-type: none"> <li>Disciplinary ongoing</li> <li>The case is handled by external Chairperson. And the employee by an advocate. Dates are a challenge</li> </ul>	Not finalised Ongoing
Manager City Planning and outdoor advertising	<ul style="list-style-type: none"> <li>Gross Dishonesty</li> <li>Gross Negligence</li> <li>Contravention of code of conduct</li> <li>Abuse of Authority</li> <li>Gross derelictions of duties</li> <li>Contravention of clause 1.2.11 of the SALGBC</li> </ul>	19 Jan 2024	<ul style="list-style-type: none"> <li>Disciplinary ongoing</li> <li>The case is handled by external Chairperson Initiator and the employee by an advocate. Dates are a challenge</li> </ul>	Not finalised Ongoing
Quantity Scientist	<ul style="list-style-type: none"> <li>Rude, intimidatory, and abusive behaviour</li> <li>Conduct unbecoming of a senior employee</li> </ul>	14 <sup>th</sup> August 2023	<ul style="list-style-type: none"> <li>Disciplinary ongoing</li> <li>The case is handled by external Chairperson initiator.</li> </ul>	Not finalised Ongoing
Water Tanker Driver	Allegation that he was drunk on duty	2 <sup>nd</sup> May 2024	<ul style="list-style-type: none"> <li>Investigation ongoing</li> </ul>	Not finalised Ongoing
Manager Internal Audit/Chief Audit Executive	<ul style="list-style-type: none"> <li>Gross Derelictions of duties</li> <li>Gross negligence</li> <li>Gross Dishonesty</li> </ul>	12 Mar 2024	<ul style="list-style-type: none"> <li>Ongoing</li> <li>The case is handled by external Chairperson initiator.</li> </ul>	Not finalised Ongoing

Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
	<ul style="list-style-type: none"> <li>• Contravention of clause 2(b) of schedule 2: Code of conduct for municipal employees</li> <li>• Causing irregular and unauthorised expenditure</li> </ul>			
Assistant Sup Traffic	<ul style="list-style-type: none"> <li>• Gross dishonesty</li> <li>• Failure to obey lawful instruction</li> <li>• Gross-insubordination</li> <li>• Intimidating Municipal Officials</li> <li>• Contravention of code of conduct</li> </ul>	13 October 2023	<ul style="list-style-type: none"> <li>• Disciplinary ongoing</li> <li>• The case is handled by external Chairperson initiator.</li> </ul>	<ul style="list-style-type: none"> <li>• Not finalised</li> <li>• Ongoing</li> </ul>
Traffic Officer	<ul style="list-style-type: none"> <li>• Gross dishonesty</li> <li>• Failure to obey lawful instruction</li> <li>• Gross-insubordination</li> <li>• Intimidating Municipal Officials</li> <li>• Contravention of code of conduct</li> <li>• Conducting himself in an unbecoming manner towards fellow employee</li> </ul>	13 Oct 2023	<ul style="list-style-type: none"> <li>• Disciplinary ongoing</li> <li>• The case is handled by external Chairperson initiator.</li> <li>• Date are a challenge</li> </ul>	<ul style="list-style-type: none"> <li>• Not finalised</li> <li>• Ongoing</li> </ul>
Snr Record Clerk	<ul style="list-style-type: none"> <li>• Failure to disclose business interest</li> </ul>	01 Feb 2024	<ul style="list-style-type: none"> <li>• Disciplinary ongoing</li> <li>• The case is handled by external Chairperson initiator.</li> <li>• Date are a challenge</li> </ul>	<ul style="list-style-type: none"> <li>• Not finalised /ongoing</li> </ul>
CFO	<ul style="list-style-type: none"> <li>• Gross dishonesty</li> <li>• Gross Negligence</li> <li>• Contravention of section 78 of the MFMA</li> <li>• Causing an unauthorized /irregular expenditure</li> <li>• Contravention of section 78(1) (c) of The MFMA</li> <li>• Gross Derelictions of duties</li> </ul>	09 May 2023	<ul style="list-style-type: none"> <li>• Disciplinary hearing was finalised on the 3<sup>rd</sup> Aug 2023.</li> <li>• Council approved the settlement Agreement on the 30<sup>th</sup> Aug 2023.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalised/closed</li> <li>• The employee resigned.</li> </ul>

Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalized	Date finalized
	<ul style="list-style-type: none"> <li>• Contravention of clause 2.1 of the SCM Policy</li> <li>• Contravention of section 81 of the MFMA</li> </ul>			
Manager PMU/ ACTING Director SPME	<ul style="list-style-type: none"> <li>• Gross derelictions of duties</li> <li>• Gross Negligence</li> <li>• Gross dishonesty</li> <li>• Failure to provide documents when requested by external investigators</li> <li>• Contravention of section 78(1) (c) of the MFMA</li> <li>• Contravention of MFMA Circular no 62 of 2013 clause 5.6 of SCM</li> </ul>	09 May 2023	<ul style="list-style-type: none"> <li>• Disciplinary hearing was finalised on the 3<sup>rd</sup> Aug 2023.</li> <li>• Council approved the settlement Agreement on the 30<sup>th</sup> Aug 2023.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalised/closed</li> <li>• The employee resigned</li> </ul>
Manager Human Settlement Policy admin	<ul style="list-style-type: none"> <li>• Gross misconduct –conflict of interest</li> <li>• Gross Negligence</li> <li>• Failure to avoid conflict of interest</li> <li>• Gross Dishonesty</li> </ul>	02 Feb 2024	<ul style="list-style-type: none"> <li>• Disciplinary hearing closed/finalised</li> <li>• The employee found guilty and dismissed</li> </ul>	<ul style="list-style-type: none"> <li>• 2 July 2024</li> </ul>
Lawn Mower	<ul style="list-style-type: none"> <li>• Failure to take lawful instruction</li> <li>• Insubordination</li> </ul>	27 Feb 2024	<ul style="list-style-type: none"> <li>• Investigation completed.</li> <li>• The investigation revealed that there were no acts of intimidation but the employee failed to obey a lawful instruction.</li> <li>• The MM approved that Disciplinary hearing be instituted whilst the employee is back on duty.</li> </ul>	<ul style="list-style-type: none"> <li>• Not finalised</li> <li>• Ongoing</li> </ul>
Manager Legal Services	<ul style="list-style-type: none"> <li>• Allegations of misconduct</li> </ul>	19 Jan 2024	<ul style="list-style-type: none"> <li>• The employee resigned whilst investigations into allegations of misconduct was still ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Employee tendered his resignation with effect from the 25<sup>th</sup> February 2024</li> </ul>

**Table 95: Disciplinary Action Taken on Cases of Financial Misconduct 2023/24**

Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalized
CFO	<ul style="list-style-type: none"> <li>• Gross dishonesty</li> <li>• Gross Negligence</li> <li>• Contravention of section 78 of the MFMA</li> <li>• Causing an unauthorized /irregular expenditure</li> <li>• Contravention of section 78(1) (c) of The MFMA</li> <li>• Gross Derelictions of duties</li> <li>• Contravention of clause 2.1 of the SCM Policy</li> <li>• Contravention of section 81 of the MFMA</li> </ul>	Disciplinary action was taken. The employee resigned in face of his disciplinary hearing.	<ul style="list-style-type: none"> <li>• Disciplinary hearing was finalised on the 3<sup>rd</sup> Aug 2023.</li> <li>• Council approved the settlement Agreement on the 30<sup>th</sup> Aug 2023.</li> </ul>
ACTING Director SPME/ Manager PMU	<ul style="list-style-type: none"> <li>• Gross derelictions of duties</li> <li>• Gross Negligence</li> <li>• Gross dishonesty</li> <li>• Failure to provide documents when requested by external investigators</li> <li>• Contravention of section 78(1) (c) of the MFMA</li> <li>• Contravention of MFMA Circular no 62 of 2013 clause 5.6 of SCM</li> </ul>	Disciplinary action was taken. The employee resigned in face of her disciplinary hearing	<ul style="list-style-type: none"> <li>• Disciplinary hearing was finalised on the 3<sup>rd</sup> Aug 2023.</li> <li>• Council approved the settlement Agreement on the 30<sup>th</sup> Aug 2023</li> </ul>
Manager SCM	<ul style="list-style-type: none"> <li>• Gross Dishonesty</li> <li>• Gross Negligence</li> <li>• Gross derelictions of duties</li> </ul>	<ul style="list-style-type: none"> <li>• Disciplinary action was taken. The employee resigned in face of his disciplinary hearing</li> </ul>	<ul style="list-style-type: none"> <li>• The employee resigned on the 31 August 2023</li> </ul>

Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalized
	<ul style="list-style-type: none"> <li>• Contravention of clause 2.1 of SCM Policy</li> <li>• Gross Negligence</li> <li>• Contravention of Section 78(1) (c) of the MFMA – the rand value in irregular expenditure was <b>R 137 550 355.67</b></li> <li>• Contravention of clause 2.5 of the Code of conduct for BAC</li> </ul>		
Assistant Manager Housing /Human settlement	<ul style="list-style-type: none"> <li>• Gross dishonesty alt Gross Negligence</li> </ul>	<ul style="list-style-type: none"> <li>• Disciplinary hearing was held and finalised on the 15 Nov 2023</li> <li>• Employee was found guilty and a sanction of a final written warning was imposed.</li> </ul>	<ul style="list-style-type: none"> <li>• The Municipal Manager confirmed the Final written warning on the 05 Dec 2023</li> </ul>
Assistant Manager Acquisition	<ul style="list-style-type: none"> <li>• Gross dereliction of duties</li> <li>• Gross negligence</li> <li>• Contravention of clause 2.1 of the SCM Policy</li> <li>• Gross dishonesty – Rand value as a result of irregular appointment (<b>R 137 550 355.67</b>)</li> <li>• Contravention of Section 78(1) (c) of the MFMA</li> </ul>	<ul style="list-style-type: none"> <li>• Disciplinary action was taken. The employee resigned in face of his disciplinary hearing</li> </ul>	<ul style="list-style-type: none"> <li>• The employee resigned on the 31 October 2023</li> </ul>
Manager Assets	<ul style="list-style-type: none"> <li>• Gross Dishonesty</li> <li>• Gross Negligence</li> </ul>	<ul style="list-style-type: none"> <li>• The disciplinary hearing against the employee is ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Not yet finalised</li> <li>• Ongoing</li> </ul>
Project Manager/ Senior Engineering Technician	Contravention of MFMA circular 62 and clause 5.6 of SCM Policy	<ul style="list-style-type: none"> <li>• The disciplinary hearing against the employee is ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Not yet finalised</li> <li>• Ongoing</li> </ul>

#### 4.4.4 Comment on Suspensions and Cases of Financial Misconduct

Eighteen (18) employees were put on suspension for other forms of misconduct during the year 2023/2024, disciplinary processes were embarked on, six(6) cases were finalised and thirteen(13) are still ongoing. Disciplinary action was taken for financial misconduct against seven (7) employees in 2023/2024, five(5) cases were finalised and two(2) are not yet finalised.

#### 4.5 Performance Rewards:

**Table 96: Performance Rewards by Gender 2023/24**

Designation	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 12/13s  R`000	Proportion of beneficiaries within group  %
Lower skilled (levels 1-2)	Female	284	0	n/a	0
	Male	477	0	n/a	0
Skilled (levels 3-5)	Female	22	0	n/a	0
	Male	58	0	n/a	0
Highly skilled production (levels 6-8)	Female	357	0	n/a	0
	Male	422	0	n/a	0
Highly skilled supervision (levels 9-12)	Female	83	0	n/a	0
	Male	117	0	n/a	0



Designation	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 12/13s  R`000	Proportion of beneficiaries within group  %
Senior Management (levels 13-15)	Female	40	0	n/a	0
	Male	57	0	n/a	0
MM and S57	Female	3	0	n/a	0
	Male	4	0	n/a	0
Total		1924	0	n/a	0

#### **4.5.1 Comment on Performance Rewards**

During the financial 2023/24 no performance rewards were awarded to employees.

### **4.6 CAPACITATING THE MUNICIPAL WORKFORCE**

#### **4.6.1 Introduction to Workforce Capacity Development**

MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their function and exercise their powers in an economical, effective, efficient and accountable manner. The Skills Development Act (SDA) aims to provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce. Furthermore, it aims to provide the financing of skills development by means of a levy – financing scheme and a National Skills Fund. The SDA also makes it a requirement for the municipality to compile a workplace skills plan and submit an implementation report to the Department of Employment and Labour. The municipality always adheres to this requirement.

#### 4.6.2 Skills Development and Training

Table 97: Skills Matrix

Management	Gender	Employees in post as at 30 June 2024	Learnerships			Skills Programme & other short courses			Other forms of training			Total
			Actual 30 June 2022	Actual 30 June 2023	Actual 30 June 2024	Actual 30 June 2022	Actual 30 June 2023	Actual 30 June 2024	Actual 30 June 2022	Actual 30 June 2023	Actual 30 June 2024	Actual 30 June 2024
MM & S57	Female	3	-	-	-	-	-	-	-	-	-	-
	Male	4	-	-	-	-	-	-	-	-	-	-
Councilors, senior officials & managers	Female	40	-	-	-	-	-	22	-	-	-	22
	Male	57	-	-	-	-	-	54	-	-	-	54
Technicians & associate professionals	Female	226	-	-	-	-	-	1	-	-	-	1
	Male	117	-	-	-	-	-	2	-	-	-	2
Professionals	Female	83	-	-	-	-	-	4	-	-	-	4
	Male	250	-	-	-	-	-	2	-	-	-	2
Clerks	Female	129	-	-	-	-	-	1	-	-	-	1
	Male	172	-	-	-	-	-	1	-	-	-	1

Management	Gender	Employees in post as at 30 June 2024	Learnerships			Skills Programme & other short courses			Other forms of training			Total
			Actual 30 June 2022	Actual 30 June 2023	Actual 30 June 2024	Actual 30 June 2022	Actual 30 June 2023	Actual 30 June 2024	Actual 30 June 2022	Actual 30 June 2023	Actual 30 June 2024	Actual 30 June 2024
Service and Sales Workers	Female	13	-	-	-	--	-	17	-	-	-	17
	Male	24	-	-	-	-	-	30	-	-	-	30
Plant and Machine Operators and Assemblers	Female	13	-	-	-	-	-	2	-	-	-	2
	Male	32	-	-	-	-	-	3	-	-	--	3
Elementary Workers	Female	284	-	-	-	--	-	13	-	-	-	13
	Male	477	-	-	-	-	-	20	-	-	-	20
Sub Total	Female	823	-	-	-	-	-	60	-	-	-	60
	Male	1101	-	-	-	-	-	102	-	-	-	102
Total		1924						162				162

**Table 98: Financial Competency Development: Progress Report 2023/24**

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 assessment completed for A and B (regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with regulation 16 (Regulation 14(4)(f))	Consolidated: Total Number of officials that meet prescribed competency levels (Regulation 14(4)(a))
Financial officials (CFO)	1	1	2	2	2	2
Accounting officer	1	0	1	1	1	1
Senior Managers	5	0	5	4	5	4
Any other financial officials	138	0	138	78	78	78
Supply Chain Management officials	16	0	16	6	0	6
Heads of SCM units	3	0	3	3	3	3
SCM senior managers	1	0	1	1	1	1
<b>Total</b>	<b>165</b>	<b>1</b>	<b>165</b>	<b>95</b>	<b>96</b>	<b>95</b>
*This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

**Table 99: Skills Development Expenditure**

Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2023/24							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	3	-	-	-	-	-	-	-	-
	Male	4	-	-	-	-	-	-	-	-
Legislators, senior officials and managers	Female	40	-	-	2 018 332	391 620	-	-	-	391 620
	Male	57	-	-	-	1 305 400	-	-	-	1 305 400
Professionals	Female	83	-	-	1 128 693	708 860	-	-	-	708 860
	Male	250	-	-	-	354 430	-	-	-	354 430
Technicians and associate professionals	Female	226	-	--	1 481 668	9373	-	-	-	9 373
	Male	117	-	-	-	18 746	-	-	-	18 746
Clerks	Female	129	-	--	1 021 753	38 278	-	-	-	38 278
	Male	172	-	-	-	38 278	-	-	-	38 278
Service and sales workers	Female	13	-	-	749 718	240 210	-	--	-	240 210
	Male	24	-	-	-	480 420	--	-	-	480 420
Plant and machine operators and assemblers	Female	13	-	-	LGSETA Grant	-	-	-	-	-
	Male	32	-	-	LGSETA Grant	-	-	-	-	-
Elementary occupation	Female	284	-	-	574 663	188 591	--	-	-	188 591
	Male	477	-	-	-	362 675	-	-	-	362 675

Management Level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2023/24							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
		No.								
Sub Total	Female	823	0	-	-	1 576 932	-	-	--	1 576 932
	Male	1101	0	-	-	2 586 945	-	-		2 586 945
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan									%*	<b>*R8 689 714</b>
Total Training budget allocated for 2023/2024 (Budget decentralized to various SBU's)										<b>R8 689 714</b>
Total training budget used for training catering										0

#### **4.6.3 Comment on Skills Development and Related Expenditure and on The Financial Competency Regulations:**

WSP (Workplace skills plan) has been implemented and hundred and forty-two (142) employees and twelve (12) councillors were trained for financial year 2023/2024. Eight (8) councillors have completed minimum competency as per treasury regulations.

### **COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE.**

#### **4.7 Managing the Workforce Expenditure**

##### **4.7.1 Number of Employees whose Salaries where Increased Due to their Positions Being Upgraded**

During the 2023/24 financial year no employee salaries were increased due to their positions being upgraded.



**Table 100: Number of Employees whose Salaries were Increased Due to their Positions Being Upgraded**

Number of employees whose salaries were increased due to their positions being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (level 1-2)	Female	None
	Male	None
skilled (level 3-5)	Female	None
	Male	None
Highly skilled production (level 6-8)	Female	None
	Male	None
Highly skilled Supervision (level 9-12)	Female	None
	Male	None
Senior Management (Level 13-16)	Female	None
	Male	None
MM and S57	Female	None
	Male	None
Total		None

**Table 101: ICT Services Policy Objectives Taken from IDP**

ICT Services Policy Objectives Taken from IDP					
Service Objectives	Outline Service Targets	2022/23		2023/24	
		Target	Actual	Target	Actual
<i>Service Indicators</i>					
Service Objective: ICT in enhancing service delivery and improving the business of Polokwane Municipality to become smart city by 2030					
% of Network Stability	100%	100%	99%	100%	99%
% per phase of Implementation of ICT Governance Framework	100%	100%	99%	100%	99%

**Table 102: Employees: ICT 2023/24**

2022/23					2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents)
0-3	3	5	3	2	0-3	3	5	3	2
06	11	12	12	1	06	11	12	12	1
09	10	14	10	4	09	10	14	10	4
12	7	13	8	7	12	7	13	8	7
13-15	1	1	1	0	13-15	1	1	1	0
16-18	1	2	1	1	17	1	2	1	1
19-20	N/A	N/A	N/A	N/A	19-20	N/A	N/A	N/A	N/A
Total	33	47	33	14	Total	33	47	33	14

**4.7.1 Comment on the Performance of ICT Services Overall**

In the previous year management reported that the ICT Strategic Business Unit reviewed the five (05) years Information and Communication Technology Strategic Plan. The strategy was adopted by Council for implementation starting from the 2023/24 Financial Year.

#### 4.8 Executive and Council

This component includes Executive office (Mayor; Councillors; and Municipal manager).

**Table 103: Employees: Council**

Employees: Council 2022/23					Employees: Council 2023/24				
Job Levels	Employee No	Post No	Employees No	Vacancies	Job Levels	Employee No	Post No	Employees No	Vacancies(Full time equivalents)
0-3	11	16	10	6	0-3	10	16	10	6
4-6	16	22	18	4	4-6	18	22	18	4
7-9	14	26	14	12	7-9	14	26	14	12
10-12	6	7	5	2	10-12	5	7	5	2
13-15	2	3	2	1	13-15	1	3	1	2
17	6	6	5	1	17	4	6	4	2
19-20	-	-	-	-	19-20	N/A	N/A	N/A	N/A
Total	55	80	54	26	Total	52	80	52	28

## CHAPTER 5: FINANCIAL GOVERNANCE

### 5.1 COMPONENT A: FINANCIAL PERFORMANCE / FINANCIAL YEAR AT GLANCE

#### Introduction

This Chapter presents a financial status of the municipality as at the 30th of June 2024. The financial status is analysed in detail below. The municipality has retained its status as solvent (only short-term viability) while processes ensuring longer term viability are underway. The slow economic environment and the negative impact of the high energy costs (both electricity and fuel), raising interest rates will continue to strain the finances of the municipality.

Due to these systematic and non-systematic risks, a broader strategic approach adopted, resources are prioritized according to strategic objectives through a zero-based budgeting model. This ensures that the budget is relevant, service delivery oriented and serves as a basis to facilitate economic growth and employment.

The following budgeting PRINCIPLES were applied in formulating the medium-term budget:

- Realistic and achievable collection rates.
- Sustainable, affordable, realistic and balanced budget
- Major tariffs to be cost reflective, realistic and affordable
- Budget to contribute to achieving strategic objectives of the IDP
- Balancing capital expenditure for social, economic, rehabilitation and support.
- Income/ revenue driven budget: affordability i.e. if funds do not materialise, review
- Expenditure.

The financial year presented key achievements and challenges and is presented below:

#### Key achievements

- The municipality maintained a favorable audit outcome (an unqualified audit opinion with audit findings).
- Finance section has two qualified Chartered Accountants CA(SA)s as at year end.
- Current ratio/liquidity ratio (a measure of short-term viability) has improved to 1.8 over the past two financial years as compared to a ratio of below 1 in the preceding years.
- Achieved an 86% debtor collection rate which is above our budgeted collection rate of 86% despite a slow economy.
- Achieved an 76% debtor collection rate government debt which is above our budgeted collection rate of 30%.
- Reduction in debt collection period from 100 days to 84 days on average.
- 100% Data cleansing of the indigent database to ensure that only those that qualify remain on the register while others are billed at normal tariffs.
- Reduction in water distribution losses from 36% in the prior year to 24% savings the municipality
- Reduction in unspent conditional grants to R16.7 million (2023/24) as compared to R25.7 million (2022/23) in the prior year.

#### Key challenges

- Over commitment of budget by various directorates resulting in the inability of build cash reserves to fund the depreciation or future assets replacement.
- Ineffective overtime management that strains the budget.
- A cash coverage ratio (measure of long-term viability) of 1 month as opposed to the National Treasury norm of 1-3 months.
- Non-functional waters meters continue to affect our water revenue billing and collections from water services
- Illegal meter connections
- Poor contract management that results in project delays and cost overruns.
- Land invasion

## 5.2. MEASURES TO MITIGATE THE CHALLENGES

No	Key challenge identified	Mitigation measures	Anticipated impact	Timeline
1	Over commitment of budget by various directorates resulting in the inability of build cash reserves to fund the depreciation or future assets replacement.	Appointments are only made against available budget.  Implement strict measures on budget virements.	All spending to be within the Council approved budget	Monthly
2	Ineffective overtime management that strains the budget	Introduction of a shift system and monthly limit on overtime expenditure per department.	Reduction in overtime expenditures.	30 June 2025
3	A cash coverage ratio (measure of long-term viability) of less than 1 month as opposed to the National Treasury norm of 1-3 months	Appointments are only made against available budget.  Implement strict measures on budget virements.	Increase in the cash average ratio of at least 3 months in the	Monthly.
4	Non-functional waters meters continue to affect our water revenue billing and collections from water services	Meters audit to identify non-functional meters for replacement or repairs  Installation of prepaid water meters.	Increase in revenue billed and revenue collection	31 March 2025
5	Illegal meter connections	Implementation of credit control	Elimination of illegal connections.	Implementation in progress.
6	Poor contract management that results in project delays, cost overruns and misstatement of assets	Use of Project Management Unit to independently verify status of projects.	Proper contract management on all projects	Implementation in progress.
7	Land invasion	Conduct land audit across the city to identify invaded land	Eliminate illegal occupation	31 March 2025

## 5.3. ANALYSIS OF REVENUE COMPONENT OF FINANCIAL STATEMENT

The total of own municipal revenue (total revenue less grants and donations) increased from R 2.642 billion (2022/23) to R 2.934 billion (2023/24) This translates into a year-on-year increase of 11%.

Revenue from service charges and property rates make up most of the own revenue, contributing 88%.

The year-on-year increase was due to the following reasons despite the challenges posed by the utilities (Eskom and Lepelle Northern Water Board):

- A detailed TID rollover to ensure that all data is updated on the billing system. This exercise proved fruitful as the updated data from the ground resulted in bypassed meters replaced and customer starting to purchase and penalized

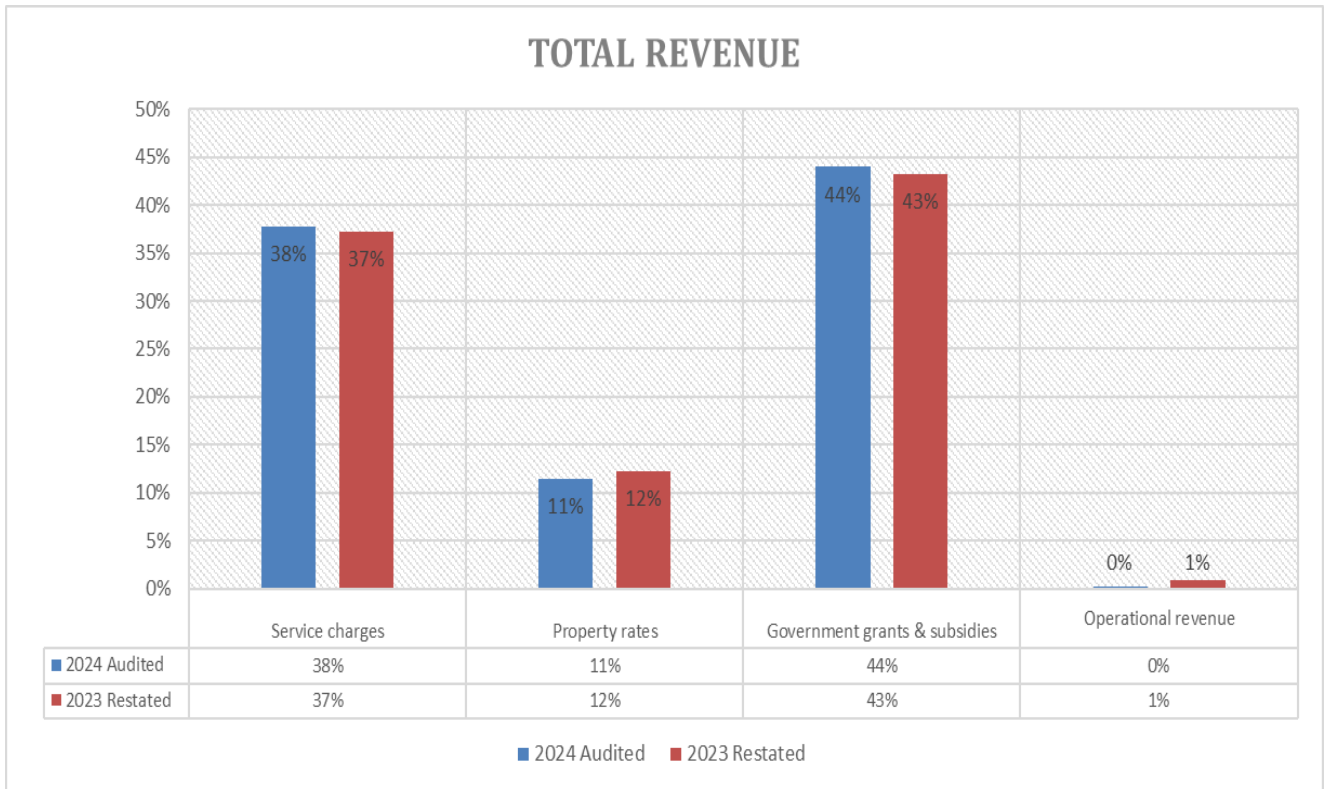
- An effective financial system that enables complete and accurate billings including the favorable impact of the interface between the building department and the billing module. This interface is able to identify changes in the zoning of properties and building renovations in almost real time resulting in increases in property rates revenue.
- Continuous installations of pre-paid water and electricity meters.
- Operational effectiveness of the RPU (revenue protection unit) in identifying illegal connections which has fined guilty perpetrators in fines for illegal connections.
- An increase in indigents reversals due to the data cleansing exercise that identified applicants that no longer qualified as indigents.

Table 103: Revenue and Expenditure component is depicted below in condensed format

<b>Statement of Financial Performance</b>		
	2024	2023 Restated
<b>Revenue</b>		
<b>Exchange revenue</b>		
Services charges — Electricity	1 368 902 843	1 179 655 522
Services charges — Waste management	142 911 569	140 929 587
Services charges — Waste water management	170 741 829	150 939 516
Services charges — Water	298 432 073	264 124 630
Rental from fixed assets	40 961 051	36 325 242
Interest earned from receivables	96 290 038	69 602 148
Interests on investments	48 177 770	38 814 996
Licences or permits	13 596 844	13 788 739
Agency services	26226845	23 554 336
Operational revenue	7 620 933	41 536 510
Sales of goods and rendering of services	21 211 187	26 360 476
<b>Total exchange revenue</b>	<b>2 235 072 982</b>	<b>1 985 631 702</b>
<b>Non-exchange revenue</b>		
Property rates	602 555 837	572 644 434
Transfers and subsidies	2 312 832 310	2 016 138 370
Fines, penalties and forfeits	40 978 661	42 451 266
Interest earned from receivables	55 411 975	40 925 649
<b>Total non-exchange revenue</b>	<b>3 011 778 783</b>	<b>2 672 159 719</b>
<b>Total revenue</b>	<b>5 246 851 765</b>	<b>4 657 791 421</b>
<b>Expenditure</b>		
Employee related cost	- 1 104 282 242	- 1 072 016 183
Remuneration of councillors	- 43 877 151	- 41 383 620
Bad Debts Written Off	-	69 232 187
Debt Impairment	- 347 769 222	- 244 638 494
Depreciation and amortisation	- 1 146 713 013	- 724 406 075
Finance costs	- 50 808 399	- 57 837 288
Bulk purchases	- 1 018 199 332	- 856 611 259
Inventory consumed	- 275 699 341	- 225 856 709
Contracted services	- 961 690 928	- 852 654 126
Government grants and subsidies	- 15 480 000	- 9 671 404
Operational cost	- 290 927 463	- 271 693 325
<b>Total expenditure</b>	<b>- 5 255 447 091</b>	<b>- 4 426 000 670</b>
<b>Operating (deficit) surplus</b>	<b>- 8 595 326</b>	<b>231 790 751</b>
Gain (loss) on disposal of assets	3 005 871	583 009 739
Fair value adjustments	61 562 019	125 144 354
Inventories (write-down)	- 77 784 841	- 88 136 885
Impairment losses	- 45 352 723	- 31 148 802
<b>(Deficit) surplus for the year</b>	<b>- 67 165 000</b>	<b>345 360 321</b>



Below is graphical depiction of total revenue raised in both 2024 and 2023



## Financial Position

### Statement of Financial Position as at 30 June 2024

	2024	2023 Restated
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	343 278 496	184 371 391
Receivables from exchange transactions	861 879 737	769 003 183
Other receivables from exchange transactions	16 584 034	33 748 014
Receivables from non-exchange transactions	328 668 305	345 702 765
Inventories	112 808 412	93 995 322
VAT receivable	14 013 278	47 824 737
VAT Input Accrual	106 176 476	92 221 762
	<b>1 783 408 738</b>	<b>1 566 867 174</b>
<b>Non-Current Assets</b>		
Investment property	1 024 964 286	997 033 036
Property, plant and equipment	14 571 550 142	14 809 391 210
Biological assets	15 622 003	14 905 421
Heritage assets	21 867 568	21 867 569
Intangible assets	35 556 809	35 093 576
Investment in subsidiary	1 000	1 000
Living resources	11 606 694	9 368 462
	<b>15 681 168 502</b>	<b>15 887 660 274</b>
<b>Total Assets</b>	<b>17 464 577 240</b>	<b>17 454 527 448</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Consumer deposits	65 469 909	66 794 150
Payables from exchange transactions	731 057 499	633 312 246
Payables from non-exchange transactions	16 735 566	25 771 966
Borrowings	27 778 472	25 088 400
Finance Lease liabilities	10 610 561	21 052 712
Employee benefits	16 301 297	9 116 740
Provision	3 656 736	
VAT output accrual	119 142 965	125 382 657
	<b>990 753 005</b>	<b>906 518 871</b>
<b>Non-Current Liabilities</b>		
Borrowings	319 910 020	347 688 492
Finance Lease liabilities	12 356 164	4 576 739
Employee benefits	401 698 326	397 144 611
Provision	125 695 555	117 269 606
	<b>859 660 065</b>	<b>866 679 448</b>
<b>Total Liabilities</b>	<b>1 850 413 070</b>	<b>1 773 198 319</b>
<b>Net Assets</b>	<b>15 614 164 170</b>	<b>15 681 329 129</b>
<b>Net assets presented by:</b>		
Revaluation reserve	10 257 919 444	10 257 919 444
Accumulated surplus	5 356 244 736	5 423 409 702
<b>Total Net Assets</b>	<b>15 614 164 180</b>	<b>15 681 329 146</b>

## **Asset Management/Utilization**

The following financial ratios assess our asset management performance

- (a) Capital expenditure to total expenditure.
  - Achieved 15%
  - Norm 10% to 20%
  
- (b) Repairs and maintenance as a percentage of PPE
  - Achieved 5% at original cost of PPE.
  - Norm 8%

## **Debtors Management**

The following financial ratios assess our asset management performance

- (a) Collection rate
  - Achieved 86%
  - Budgeted rate 86%
  - Norm 95%
  
- (b) Net debtor days
  - Achieved 84 days
  - Norm 30 days

While the above collection rate is above the norm, the net debtor days ratio collaborates the weak economic environment. The strategy on improving collection involves the replacement of pre-paid water meters, collection through appointed debtor collectors together with the revenue protection unit, collective revenue steering committee meetings and consistent cut off of all government debtors will have a positive impact on the collection rate going forward.

The municipality will be introducing a debtor incentive scheme in 2024-25. The incentive scheme will analyse each and every debtor based on their financial profile i.e. incentives will be given to the based on the debtor affordability to settle outstanding debt. This will ensure that the municipality receives its debtors within a shorter time period compared to the current turnaround times experienced.

## **Liquidity Management**

The municipality recorded a ratio of 1.8 [current assets/current liabilities] as compared to the 1.69 of the previous year.

The liquidity position has seen a significant improvement from the previous financial years where the ratio was less than 1.

This was a result of satisfactorily revenue collection (section 5.2 above) and an improvement in creditors management. Therefore, the municipality is on track to maintain the required National Treasury norm of 1.5 in the coming financial year/s.

## **Liability Management**

- Debt adequacy ratio □ The municipality has achieved a 35% ratio [Long term Debt/Revenue] compared to the norm of 45%. This suggests that the municipality is positively way below the norm and is in position to take up more debt provided it is feasible.
  
- Capital repayment ability □ The municipality has achieved a 1% ratio [capital and interest repayment/total expenditure] against the norm of 6%. This suggest that the municipality is way below the norm and can comfortably meet its loan obligations which includes both the interest and capital portions of the loan.

## Analysis of trade and accounts receivable component of financial position

Total debt book remained relatively the same from the previous financial year. The incentive scheme and consistent uninterrupted credit control will reduce the debtors book in the coming financial year.

### Below is analysis and ageing of consumer debtors per service

2024						
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Electricity	345 120 792	105 808 985	18 255 595	12 629 408	12 645 810	195 780 994
Waste management	214 321 804	15 843 211	8 697 664	6 972 004	6 343 840	176 465 085
Waste water	187 506 702	26 307 158	8 513 493	6 803 807	6 140 088	139 742 156
management Water	465 277 562	47 909 224	13 337 103	17 286 712	13 305 924	373 438 599
<b>Total by debt type</b>	<b>1 212 226 860</b>	<b>195 868 578</b>	<b>48 803 855</b>	<b>43 691 931</b>	<b>38 435 662</b>	<b>885 426 834</b>
<b>Increase/ Decrease</b>						
Electricity	29 570 328.00	13 096 875.00	3 065 186.00	3 848 917.00	955 548.00	8 603 802.00
Waste management	24 643 897.00	- 2 223 021.00	714 307.00	583 195.00	761 473.00	24 807 943.00
Waste water	32 857 054.00	12 710 147.00	419 682.00	267 967.00	- 273 250.00	19 732 508.00
management Water	46 260 275.00	10 514 900.00	- 2 726 483.00	10 049 602.00	- 15 437 356.00	43 859 612.00
<b>Total by debt type</b>	<b>133 331 554.00</b>	<b>34 098 901.00</b>	<b>1 472 692.00</b>	<b>14 749 681.00</b>	<b>- 13 993 585.00</b>	<b>97 003 865.00</b>
2023						
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Electricity	315 550 464	92 712 110	15 190 409	8 780 491	11 690 262	187 177 192
Waste management	189 677 907	18 066 232	7 983 357	6 388 809	5 582 367	151 657 142
Waste water	154 649 648	13 597 011	8 093 811	6 535 840	6 413 338	120 009 648
management Water	419 017 287	37 394 324	16 063 586	7 237 110	28 743 280	329 578 987
<b>Total by debt type</b>	<b>1 078 895 306</b>	<b>161 769 677</b>	<b>47 331 163</b>	<b>28 942 250</b>	<b>52 429 247</b>	<b>788 422 969</b>

## Reforms.

- The integration between credit control and the new financial system ensures daily cut off due to real time data analysis
- Debtors incentive scheme will reduce the debtors book while at the same time elevate the cash flow position.

## Creditors

Creditors as at financial year end mainly related to the following categories.

TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTION			2 024	2 023
<b>TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTION</b>				
<b>Current</b>				
Affiliates, related parties and associated companies			3 311 152	3 311 152
Bulk purchases			163 314 970	127 471 914
Contractors			171 780 563	141 871 449
Control and clearing accounts			15 104 663	17 085 962
Employee benefits			22 134 732	21 292 684
Other payables			355 411 419	322 279 085
			<b>731 057 499</b>	<b>633 312 246</b>

The trade and other payables mainly consist of bulk purchases (Eskom and Lepelle Northern Water).

All grant funded service providers were paid within 30 days while payments to other creditors averaged a 100% payment rate (within 30 days).

Lepelle Northern Water and Eskom utility bills were all paid within 30 days throughout the financial year.

Description	Ageing	0-30 days
Eskom	Current	131 559 024.00
Lepelle Northern Water	Current	30 931 146.00
Other service providers	Current	77 897 165.00
<b>Total</b>		<b>240 387 335.00</b>

Creditors of R240 million were current as at 30 June 2024 as tabulated. However, it is important to apply financial discipline to continue this rate of payments to service providers.

#### 5.4 ANALYSIS OPERATING EXPENDITURE COMPONENT OF FINANCIAL STATEMENT

Total operating expenditure for 2023/24 financial year is R 5.255 billion while in 2022/23 financial year total expenditure was R 4.426 billion.

On the overall, costs increased by 19% year on year. However, of concern, is the high overtime claims and expenditure on contracted services relative to total expenditure which are 2% (norm 5%) and 18% (norm 5%) respectively.

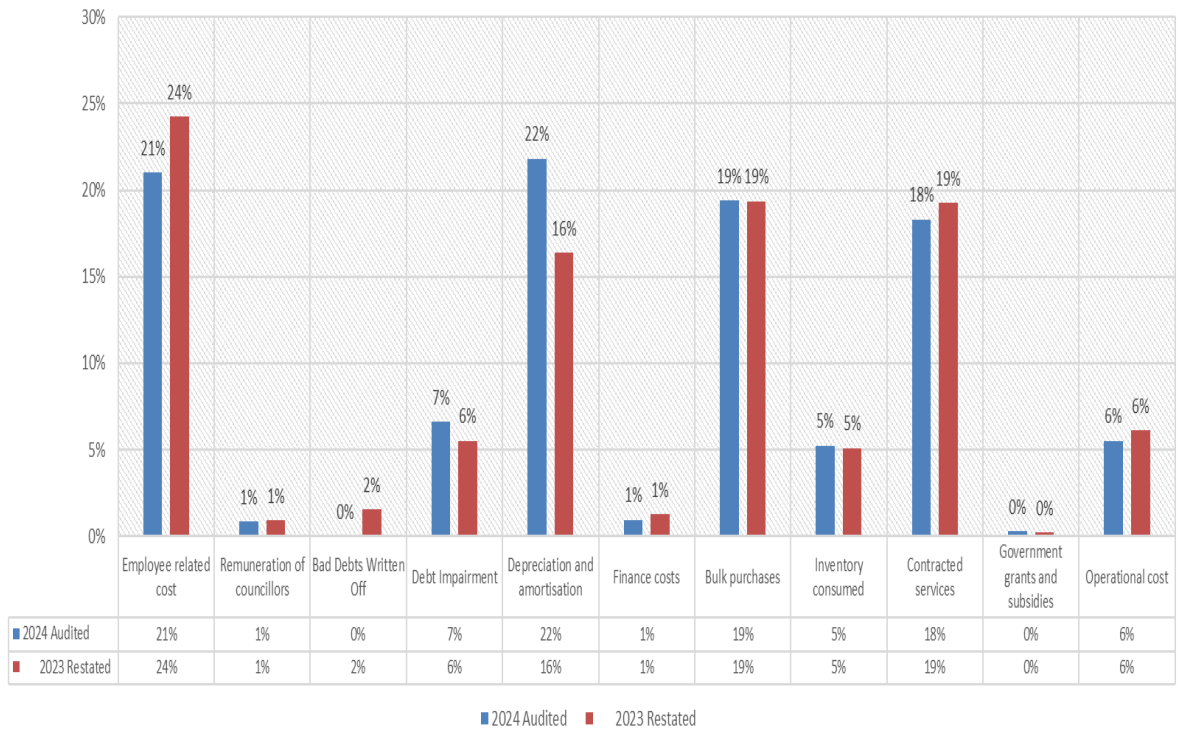
Budget tends to be increased during budget adjustment process and has been discouraged through the cash flow strategy. Managers have been encouraged to comply to the original budget and have been discouraged for requesting more budget during the budget adjustment process. The cash flow strategy and new procurement model will ensure compliance to the original budget.

Expenditure is monitored and reported monthly to the Council.

All grants received are cash backed and kept in a separate bank account and is therefore not part of the primary account. This ensures that all service providers on grant funded projects are paid promptly.




Total Expenditure	2024	Increase Decrease	2023
Employee related cost	1 104 282 242	32 266 059	1 072 016 183
Remuneration of councillors	43 877 151	2 493 531	41 383 620
Bad Debts Written Off	-	69 232 187	69 232 187
Debt Impairment	347 769 222	103 130 728	244 638 494
Depreciation and amortisation	1 146 713 013	422 306 938	724 406 075
Finance costs	50 808 399	7 028 889	57 837 288
Bulk purchases	1 018 199 332	161 588 073	856 611 259
Inventory consumed	275 699 341	49 842 632	225 856 709
Contracted services	961 690 928	109 036 802	852 654 126
Government grants and subsidies	15 480 000	5 808 596	9 671 404
Operational cost	290 927 463	19 234 138	271 693 325
<b>Total Expenditure</b>	<b>5 255 447 091</b>	<b>829 446 421</b>	<b>4 426 000 670</b>

## TOTAL EXPENDITURE



	2024		2023 Restated	
Employee related cost	1 104 282 242	21%	1 072 016 183	24%
Remuneration of councillors	43 877 151	1%	41 383 620	1%
Bad Debts Written Off	-	0%	69 232 187	2%
Debt Impairment	347 769 222	7%	244 638 494	6%
Depreciation and amortisation	1 146 713 013	22%	724 406 075	16%
Finance costs	50 808 399	1%	57 837 288	1%
Bulk purchases	1 018 199 332	19%	856 611 259	19%
Inventory consumed	275 699 341	5%	225 856 709	5%
Contracted services	961 690 928	18%	852 654 126	19%
Government grants and subsidies	15 480 000	0%	9 671 404	0%
Operational cost	290 927 463	6%	271 693 325	6%
<b>Total Expenditure</b>	<b>5 255 447 091</b>	<b>100%</b>	<b>4 426 000 670</b>	<b>100%</b>

## 5.5 ASSET AND LIABILITY MANAGEMENT COMPONENT OF FINANCIAL STATEMENT

	2024	Increase/ Decrease	2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	343 278 496	158 907 105	184 371 391
Receivables from exchange transactions	861 879 737	92 876 554	769 003 183
Other receivables from exchange transactions	16 584 034 -	17 163 980	33 748 014
Receivables from non-exchange transactions	328 668 305 -	17 034 460	345 702 765
Inventories	112 808 412	18 813 090	93 995 322
VAT receivable	14 013 278 -	33 811 459	47 824 737
VAT Input Accrual	106 176 476	13 954 714	92 221 762
<b>Total Current Assets</b>	<b>1 783 408 738</b> 	<b>216 541 564</b>	<b>1 566 867 174</b>
<b>Non-Current Assets</b>			
Investment property	1 024 964 286	27 931 250	997 033 036
Property, plant and equipment	14 571 550 142 -	237 841 068	14 809 391 210
Biological assets	15 622 003	716 582	14 905 421
Heritage assets	21 867 568 -	1	21 867 569
Intangible assets	35 556 809	463 233	35 093 576
Investment in subsidiary	1 000	-	1 000
Living resources	11 606 694	2 238 232	9 368 462
<b>Total Non Current Assets</b>	<b>15 681 168 502</b> 	<b>206 491 772</b>	<b>15 887 660 274</b>
<b>Total Assets</b>	<b>17 464 577 240</b> 	<b>10 049 792</b>	<b>17 454 527 448</b>

Total Assets increased from R 17 454 527 448 in 2023 to R 17 464 577 240 in the 2024 financial year.

## 5.6 LIABILITY MANAGEMENT

Major components of the long-term liabilities consist of long term loans from DBSA and Standard Bank which funded the AC pipes and related infrastructure. As indicated in the previous sections, the municipality is able to meet its repayment obligations comfortably whilst still in a position to increase its debt if needs be.

**Below is the graphical depiction of both non-current and current liabilities.**

	2024	Increase/ Decrease	2023
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Consumer deposits	65 469 909	- 1 324 241	66 794 150
Trade and other payables	731 057 499	97 745 253	633 312 246
Payables from non-exchange transac	16 735 566	- 9 036 400	25 771 966
Borrowings	27 778 472	2 690 072	25 088 400
Finance Lease liabilities	10 610 561	- 10 442 151	21 052 712
Employee benefits	16 301 297	7 184 557	9 116 740
Provisions	3 656 736	3 656 736	-
VAT Output Accrual	119 142 965	- 6 239 692	125 382 657
<b>Total Current Liabilities</b>	<b>990 753 005</b>	<b>84 234 134</b>	<b>906 518 871</b>
<b>Non-Current Liabilities</b>			
Borrowings	319 910 020	- 27 778 472	347 688 492
Finance Lease liabilities	12 356 164	7 779 425	4 576 739
Employee benefits	401 698 326	4 553 715	397 144 611
Provisions	125 695 555	8 425 949	117 269 606
	<b>859 660 065</b>	<b>- 7 019 383</b>	<b>866 679 448</b>
<b>Total Liabilities</b>	<b>1 850 413 070</b>	<b>77 214 751</b>	<b>1 773 198 319</b>

## 5.7 COMPLIANCE COMPONENT OF FINANCIAL STATEMENT

Annual Financial Statements were submitted on 31 August 2024 in accordance with section 126 of the Municipal Finance Management Act (MFMA).

The municipality complied to the GRAP accounting standards as required by the MFMA



**Table 103: Grant Performance**

GOVERNMENT GRANTS & SUBSIDIES & PUBLIC CONTRIBUTIONS	2024 Budget	2024 Actual	% Actual vs Budget	2023 Actual
<b>Operating Grants from Government</b>	<b>1 541 089 226</b>	<b>1 538 225 422</b> ✓	<b>100%</b>	<b>1 402 287 773</b>
Equitable share	1 318 621 000	1 318 621 153	100%	1 196 549 603
Finance Management Grant	2 024 065	2 024 065	100%	2 055 303
Integrated National Electrification Programme Grant	-	-	0%	4 188 727
Public Transport Network Grant	88 837 470	88 491 123	100%	78 525 573
Infrastructure Skills Development Grant	5 277 072	2 759 462	52%	6 000 000
Expanded Public Works Programme Incentive Grant	11 135 000	11 135 000	100%	11 570 000
Water Services Infrastructure Grant	-	-	0%	11 511 012
Integrated Urban Development Grant	115 194 619	115 194 619	100%	91 887 555
<b>Capital grants from Government</b>	<b>765 678 461</b>	<b>755 409 829</b> ✓	<b>99%</b>	<b>612 012 650</b>
Public Transport Network Grant	75 140 530	71 134 528	95%	75 709 501
Finance Management Grant	375 935	375 935	100%	345 000
Neighbourhood Development Grant	22 168 000	22 167 999	100%	26 136 732
Regional Bulk Infrastructure Grant	238 539 000	238 539 000	100%	134 584 000
Water Services Infrastructure Grant	67 700 000	67 700 000	100%	51 612 988
Integrated National Electrification Programme	17 628 687	17 622 654	100%	28 343 585
Municipal Disaster Relief Grant	18 780 000	12 529 191	67%	-
Energy Efficiency and Demand Side Management Grant	4 000 000	3 994 213	100%	1 000 000
Infrastructure Skills Development Grant	591 928	591 928	100%	-
Integrated Urban Development Grant	320 754 381	320 754 381	100%	294 280 844
	<b>5 000 000</b>	<b>19 197 059</b>		<b>1 837 947</b>
Mayors Charityfund	5 000 000	500 000	10%	1 211 650
Marathon	-	-	0%	50 000
Donations in Kind	-	3 982 090	0%	576 297
International cash donations for roads	-	14 714 969	0%	-
<b>Total Government Grants &amp; Subsidies &amp; Public Contributions</b>	<b>2 311 767 687</b>	<b>2 312 832 310</b>	<b>100%</b>	<b>2 016 138 370</b>

The municipality returned around R4.4 million to the National Treasury due rollover application not being approved.

The rejection on the Rollover request NOT APPROVED was based on the following reasons:

**Public Transport Network Grant (R4.4 million)**

The National Transferring Officer responsible for PTNG (Department of Transport) does not recommend the approval of the rollover because the municipality has sufficient funds in the current financial year to continue with implementation.

**Table 104: Repair and maintenance expenditure 2023/24**

Repairs and Maintenance	2024	2023	2022	2021	2020	2019
<b>Total</b>	<b>743 422 410</b>	<b>743 127 347</b>	<b>831 376 062</b>	<b>526 039 760</b>	<b>366 963 340</b>	<b>124 524 330</b>

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

	2 024	2023
Contracted services	435 476 959	433 406 095
Employee costs	251 183 374	252 770 842
Inventory consumed	41 256 784	46 456 488
Operational costs	15 505 293	10 493 922
	<b>743 422 410</b>	<b>743 127 347</b>

## 5.8 CASH FLOW MANAGEMENT

**Table 105: Cash Flow Management**

<b>Statement of Cash Flow</b>		
	2024	2023 Restated
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Cash receipts from customers	2 232 422 443	2 124 280 784
Transfers and Subsidies	2 299 813 820	1 885 525 818.00
VAT received	227 002 913	108 807 311.00
Interest	77 148 392	56 776 191
<b>Payments</b>		
Suppliers, employees and others	- 3 741 698 520	- 3 544 130 559
Finance charges	- 38 285 264	- 46 073 292
<b>Net cash from(used) operating activities</b>	<b>1 056 403 784</b>	<b>585 186 253</b>
<b>Cash flows from investing activities</b>		
<b>Receipts</b>		
Proceeds on disposal of fixed and intangible assets	7 522 738	560 558
<b>Payments</b>		
Capital assets	- 857 748 726	- 601 342 232
<b>Net cash flows from investing activities</b>	<b>- 850 225 988</b>	<b>- 600 781 674</b>
<b>Cash flows from financing activities</b>		
<b>Receipts</b>		
<b>Payments</b>		
Decrease in borrowing long-term	- 25 088 400	- 22 587 835
Decrease in finance lease liability	- 22 182 291	- 10 115 360
<b>Net cash flows from financing activities</b>	<b>- 47 270 691</b>	<b>- 32 703 195</b>
<b>Net increase/(decrease) in cash</b>	<b>158 907 105</b>	<b>- 48 298 616</b>
Cash and cash equivalents at year begin	184 371 391	232 670 007
	<b>343 278 496</b>	<b>184 371 391</b>

### Reforms

- The municipality has implemented cost containment measures in line with National Treasury circular 82.

- In addition, VAT inclusive budget was prepared for the 2024 financial year. Therefore, all VAT received from SARS on conditional capital grants and other own funded capital expenditure (CRR) will directly benefit the cash position of the municipality.
- Cash collections from own revenue have exceeded the R2 billion mark. The municipality now qualifies for been a grade 6 municipality which is one of the requirements of been a metro.

## 5.9 BORROWING AND INVESTMENTS

	2024	2023
<b>Borrowings</b>		
<b>Non-Current Liabilities</b>		
Long Term Loans	319 910 020	347 688 492
	<b>319 910 020</b>	<b>347 688 492</b>
<b>Current Liabilities</b>		
Long Term Loans-Current Portion	27 778 472	25 088 400
	<b>27 778 472</b>	<b>25 088 400</b>
	<b>347 688 492</b>	<b>372 776 892</b>

The Fair value of all long term loans approximates their book value.

### Long term loan commitments:

- The Municipality had entered into a loan agreement with Standard Bank in January 2018 to borrow R205 million at an interest rate of 10.98% over 15years. The last instalment is repayable on 31 January 2032.
- The Municipality had entered into a loan agreement with Standard Bank in January 2018 to borrow R205 million at a interest rate of 10.98% over 15years. The last instalment is repayable on 31 January 2032.

## 5.10 UNAUTHORISED, IRREGULR AND FRUITLESS AND WASTEFUL EXPENDITURES (UIFW)

### Unauthorized expenditure

The unauthorized expenditure incurred for the financial amounted to R932 million in **non-cash** transactions such as depreciation, provisions for bad debts, impairment losses, water losses and inventory write-downs which are accounting entries required by the accounting standards GRAP.

Although these transactions do not represent actual financial losses, the municipality has committed to budget for these items in the new budget year.

### Irregular expenditure

The municipality has incurred around R397 million in irregular expenditures due to non compliance with SCM regulations.

### Fruitless and Wasteful expenditure

The Fruitless and wasteful expenditure incurred for the financial year amounted to R6 million due to late payment to Department of Labour as well as payment for project standing time.

**Consequence management**

In order to ensure accountability, the Council has approved the services of external investigators to investigate various projects. In addition all the UIFW matters have been submitted to risk management and the MPAC for investigation.

A senior official, who subsequently resigned, was placed on suspension while investigations commenced.

The consolidated report will be submitted to Council in the new financial year for further action.

**Table 75: Distribution Losses**

**a) Distribution Losses**

**The Municipality has incurred the following distribution losses as result of supply of electricity and water**

	2024	2023
The Municipality has incurred the following distribution losses as result of supply of electricity and water		
<b>Monetary Value</b>		
Water distribution losses in (KL)	7 468 863	10 797 370
Electricity losses in kWh	73 244 186	61 524 449
	80 713 049	72 321 819
<b>Percentage Loss</b>		
Water distribution losses	<b>24%</b>	<b>36%</b>
Electricity distribution losses	<b>12%</b>	<b>10%</b>

The water distribution losses are within the norm of between 15% and 30% whilst electricity losses have increased above the norm of 10%.

The revenue protection together with the department of energy services are implementing a strategy that aims to reduce the losses downwards as alluded under the revenue reform section of this report.

**Table 106: Total Capital Expenditure**

The Municipality’s original approved Capital Expenditure Budget for 2023/24 amounted to R916 824 669 which was amended by means of an adjustments budget approved by Council on 27 March 2024 to R1 082 284 904 in total, which resulted in an increase of R165 460 235.

**The table below reflects the net increase / decrease in the various funding sources:**

**Increase/decrease in funding sources**

Capital Expenditure and funds resources	Original Budget	Adjustments Budget	Increase/
	2023/24	2023/24	Decrease
	R	R	R
<b>Capital Expenditure</b>			
Transfers recognised -Capital	705 104 514	765 678 460	- 60 573 946
Public Contributions and Donations			-
Borrowing	-	-	-
Internally generated funds	211 720 155	316 606 444	- 104 886 290
<b>Total sources of capital</b>	<b>916 824 669</b>	<b>1 082 284 904</b>	<b>- 165 460 235</b>

Total Capital Expenditure 2019/20 -2023/24					
Detail	2019/20	2020/21	2021/22	2022/23	2023/24
Original budget	1 912 547	1 201 499	1 128 559 590	994 275 906	916 824 669
Adjustment budget	1 454 085	1 039 881	1 023 466 466	882 278 991	1 082 284 904
Actual	1 369 152	911 705	845 033 028	735 583 944	1 078 852 894

REFER TO HUMAN RESOURCE MANAGEMENT

**Employees: Financial Services**

Job Levels	Employee No	Post No	Employees No	Vacancies
0-3	10	21	10	11
4-6	22	33	22	11
7-9	49	70	49	21
10-12	43	63	43	20
13-15	5	6	5	1
16-18	12	16	12	4
19-20	0	0	0	0
<b>Total</b>	<b>141</b>	<b>209</b>	<b>141</b>	<b>68</b>

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS







### 6.1 COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2023/24

#### Reforms

- The Operation Clean Audit (OPCA) steering committee were held monthly with all executive managers, Internal Audit, risk management, MMCs for finance and governance and all other relevant stakeholders deemed necessary for an effective committee.

Below is an analysis of the audit opinions over the past five financial years.

2023/24	2022/23	2021/2022	2020/2021	2019/2020
Unqualified	Unqualified	Unqualified	Qualified	Qualified

 <b>Unqualified Opinion</b>	 <b>Unqualified Opinion</b>	 <b>Qualified Opinion</b>	 <b>Adverse Opinion</b>	 <b>Disclaimer of Opinion</b>	 <b>An Outstanding Opinion</b>
<b>No Findings</b>	<b>Emphasis of Matter Items</b>				
The Auditor-General can state, without reservation, that the financial statements of the municipality fairly represent the financial position of the municipality and are in line with Generally Recognised Accounting Practices (GRAP)	Same as an Unqualified Opinion with no findings, but the Auditor-General wants to bring something particular to the attention of the reader.	The Auditor-General expresses reservations about the fair presentation of the financial statements. There is some departure from the Generally Recognised Accounting Practices (GRAP) but is not sufficiently serious as to warrant an adverse opinion or disclaimer of opinion.	This is expressed when the auditor concludes that the annual financial statements do not present the municipality's financial position, results of operations and cash flows in line with Generally Recognised Accounting Practices (GRAP).	The Auditor-General does not have all of the underlying documentation needed to determine an opinion. For example, the lack of underlying documentation and the amounts in question may be so great so that it is impossible to give any opinion on all.	Means that the Auditor General raised queries with the municipality and therefore has not submitted another opinion.

The municipality has obtained an unqualified opinion. This was as a result of strong political and administrative leadership that have supported the following committees established to achieve a favourable outcome

Committee	Purpose	Frequency	Attendees
Audit Steering Committee (ASCM)	To report on audit matters and progress	Weekly	EM, MMC Finance, MM, EXCO Members, Internal audit, Treasury and Coghsta
Operation Clean Audit (OPCA)	To report progress on the audit action plan.	Weekly	MMC Finance, MM, EXCO Members, Management, internal audit.
Asset management	To report progress on specific asset issues. This is a sub-committee of the OPCA	Weekly	EXCO members, PMU, Project Managers, Asset management and internal audit
Annual Financial Statement	To report progress on the AFS process plan.	Weekly	CFO, DCFO, BTO Management
Audit Committee	To review the annual financial statements and audit action plan.	Quarterly and through special meetings.	EXCO members, internal audit, Treasury and Coghsta

## Report of the auditor-general to Limpopo Provincial Legislature and council on Polokwane Local Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the consolidated and separate financial statements of the Polokwane Local Municipality and its subsidiary set out on pages xx to xx, which comprise the consolidated and separate statement of financial position as at 30 June 2024, consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Polokwane Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (DoRA).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Material impairments

7. As disclosed in notes 3 and 5 to the financial statements, material impairment of R957 208 613 (2023: R931 602 895) were provided for as a result of irrecoverable debtors.

### Water losses

8. As disclosed in note 40.2 to the financial statements, material water losses of R68 506 297 (2023: R87 443 128) was incurred, which represents 24% (2023: 36%) of total water purchased. The water losses were due to leakages and service connections.

### Electricity losses

9. As disclosed in note 40.1 to the financial statements, material electricity losses of R124 401 394 (2023: R61 524 449) was incurred, which represents 12.22% (2023: 10.42%) of total electricity purchased. The electricity losses were mainly due illegal connections.

### Contingencies

10. As disclosed in note 52 to the financial statements, the municipality is a defendant in multiple lawsuits. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### Restatement of corresponding figures

11. As disclosed in note 62 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

### Other matters

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

### Unaudited supplementary schedules

13. The supplementary schedule set out on pages xx to xx does not form part of the consolidated financial statement and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

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

14. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA; and for such internal control as the accounting officer determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the consolidated and separate 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 consolidated and separate financial statements**

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

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

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following objectives presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected development priorities that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic service delivery	[XX]	Provide basic services to the citizens
Local economic development	[XX]	Stimulate economic development within the municipality

20. I evaluated the reported performance information for the selected development priorities 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.
21. 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 reasons provided for any over- or underachievement of targets / measures taken to improve performance

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

#### **Development priority: Basic service delivery**

##### **Increase percentage of households with access to electrification by 0.50%**

23. An achievement of 0.49% was reported against a target of 0.5%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

##### **Increase % of households with access to water by 0.40%**

24. An achievement of 1.25% was reported against a target of 0.40%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

##### **Number of fire services inspection conducted**

25. An achievement of 1 526 was reported against a target of 988. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the target was still achieved.

##### **Other matters**

26. I draw attention to the matters below.

### Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for over or under achievements. This information should be considered in the context of the material findings on the reported performance information.
28. The tables that follow provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages [xx to xx].

### Basic service delivery

<i>Targets achieved: 62%</i>		
<b>Key service delivery indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
BSD_TL03 Increase percentage of Households with access to electrification by 0.50% (1247 hh) by the 30 June 2024	0.5% (1247 hh)	0.49% (1216 hh)
BSD_TL04 Increase percentage of Households with access to sanitation by 1.75% (4365 hh) by 30 June 2024	1.75% (4365 hh)	0.68% (1705 hh)
BSD_TL06- Km of roads upgraded from gravel to tar by 30 June 2024	15km	6.18 km
BSD_TL08 Number of new rural villages supplied with weekly waste removal services by 30 June 2022	8	0
BSD_TL12 Km of trunk route constructed by 30 June 2022	1km	0
BSD_TL15 % of building plans received and assessed within 60 working days from receipt of application	100%	66%
BSD_TL16 % of occupation certificate application received and finalised within 30 days	100%	63.06%
BSD_TL22 Percentage reduction of electricity losses by 30 June 2024	12%	12.22%

## Local economic development

<i>Targets achieved: 80%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of job opportunities created through EPWP by 30 June 2023 (Temporary job opportunities)	3 665	3 284

## Material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information development priority: basic service delivery. Management did not correct all of the misstatements, and I reported material findings in this regard.
30. I did not identify any material misstatement on the local economic development objective.

## Report on compliance with legislation

31. 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.
32. 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.
33. 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.
34. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

## Annual financial statements, performance and annual report

35. The consolidated financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 122(1) of the MFMA.
36. Material misstatements of non-current assets and disclosures identified by the auditors in the submitted consolidated financial statements were corrected, resulting in the consolidated financial statements receiving an unqualified audit opinion.

### Strategic planning and performance management

37. The performance management system and related controls were inadequate as it did not describe how the performance monitoring, review and reporting processes should be conducted and/or managed, as required by municipal planning and performance management regulation 7(1).

### Procurement and contract management.

38. Sufficient appropriate audit evidence was not obtained that some contracts were awarded in accordance with legislative requirements.
39. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of the code of conduct for staff members issued in terms of the Municipal Systems Act 32 of 2000.
40. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA.

### Expenditure management

41. Reasonable steps were not taken to prevent irregular expenditure amounting to R399 969 606 as disclosed in note 53.2 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

### Other information in the annual report

42. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the consolidated financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
43. My opinion on the consolidated financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
44. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements and the selected objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
45. 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

46. I considered internal control relevant to my audit of the consolidated financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
47. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the consolidated financial statements and the annual performance report that were subsequently corrected and the material findings on compliance with legislation included in this report.
48. Internal control systems for the preparation and review of the consolidated financial statements did not operate optimally as they were unable to detect and correct or prevent material misstatements in the consolidated financial statements submitted for audit.
49. Leadership did not exercise adequate oversight over performance reporting to ensure that internal control measures for the collection, collation, validation and reporting of performance information are effective to produce performance information that is reliable.
50. The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall processes of compliance with legislation. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

### Material Irregularities

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

#### Material irregularities in progress

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

#### Status of previously reported material irregularities

##### Payment for buses not received

53. In terms of section 116 (2)(a) of the MFMA, the accounting officer of a municipality must take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced.

54. The municipality paid R16 680 257 in 2019 for buses which they did not receive. This resulted in non-compliance with section 116 (2)(a) of the MFMA in which the accounting officer did not take reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality is properly enforced. This non-compliance resulted in a material financial loss amounting to R16 680 257.
55. The accounting officer was notified of the material irregularity on 9 December 2022 and the following actions were taken to address the material irregularity:
- The municipality appointed a service provider (law firm) on 26 January 2023 to investigate the matter. The investigation was completed on 23 March 2023. The municipality is currently implementing the recommendations from the investigation report.
  - The supplier was placed under business rescue on 18 August 2021.
  - The municipality started negotiations with the business rescue practitioners on 16 January 2023 with the objective to obtain the buses. The negotiations with the business rescue practitioners were not successful therefore the municipality referred the matter to court with case number 9242/2024
  - The accounting officer appointed a legal representative to initiate legal action in order to recover the money that was paid for the buses. The letters of demand were successfully served to the affected employees on 22 September 2024. The implicated individuals that are still employed by the municipality are undergoing disciplinary hearings which commenced on 19 November 2024 and is expected to be completed in March 2025. I will follow up on the outcome of the disciplinary hearing during my next audit.

*Auditor-General*

Polokwane

15 January 2025



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Past Year’s Issues as Raised by AGSA (2023/24) and Progress on Resolving Problems Identified Issues

The office of the Auditor-General has concluded the process of auditing the 2023/24 Annual Financial Statements of the municipality and the Annual Performance Report. The process was concluded on the 30<sup>th</sup> November 2024 and a signed report issued.

Auditor General raised the following issues:

Item	Issues
<b>Emphasis of Matters</b>	
01	Material impairments
02	Water losses
03	Electricity losses
04	Contingencies
05	Restatement of corresponding figures
<b>Other Matters</b>	
06	Unaudited Supplementary Schedules
<b>Audit on Annual Performance Report</b>	
07	Material Misstatements – material misstatements were in the reported performance information priority: Basic Service Delivery
<b>*Detailed Audit Report is attached as an Annexure</b>	

## Remedial Actions Taken to Address Issues Raised

Polokwane Municipality is in the process of finalising the Audit Action Plan. The Audit Action Plan is now done on the National Treasury Web-Based System. The Audit Action Plan will serve in council on the 30<sup>th</sup> January 2024.



**APPENDIX A**

<b>NO.</b>	<b>CLLR NAME</b>	<b>POLITICAL PARTY</b>	<b>SEAT TYPE/WARD REPRESENTED</b>	<b>COMMITTEE ALLOCATION</b>	<b>FULL/PART TIME (FT/PT)</b>	<b>TOTAL COUNCIL MEETINGS</b>	<b>TOTAL ATTENDED</b>	<b>PERCENTAGE ATTENDED</b>
1.	<b>Baloyi</b> Khazamola Joseph	ANC	Ward 16	- Rules and Ethics. - Sports, Arts, Culture and Special Programmes. - Waste and Environment.	PT	13	13	100%
2.	<b>Bologo</b> Ntshavheni	ANC	PR	- Waste and Environment (Chairperson).	PT	13	12	92%
3.	<b>Botha</b> Androe Hendrina	DA	PR	- Admin & Governance.	PT	13	07	54%
4.	<b>Chidi</b> Doraine Ramathabatha Tiny	DA	PR	- MPAC.	PT	12	08	67%
5.	<b>Choshi</b> Phuti Piet	ACDP	PR	- Local Economic Development, Land Use and Spatial Planning.	PT	13	12	92%
6.	<b>Clarke</b> Susanna Elizabeth	VF+	PR	- MPAC.	PT	13	11	85%
7.	<b>Dikgale</b> Sewela Julia	ANC	Ward 33	- Admin & Governance. - Rules and Ethics. - Waste and Environment.	PT	13	13	100%
8.	<b>Hamise</b> Lebeko Harry	ANC	Ward 36	- Sports, Arts, Culture & Special Programmes (Chairperson).	PT	13	13	100%
9.	<b>Hiine</b> Phologo Jerriel	ABC	PR	- Admin and Governance. - Sports, Arts, Culture & Special Programmes. -	PT	13	12	92%
10.	<b>Hopane</b> Madimetja Edward	EFF	PR	- Roads, Storm Water & Transport.	PT	13	07	54%
11.	<b>Joubert</b> François Jacques	DA	PR	- Finance. - Local Geographic Names.	PT	13	11	85%

NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
12.	<b>Kalla</b> Sabeer Saleh Mohamed Gani	ANC	PR	- Local Geographic Names. - Local Economic Development, Land Use and Spatial Planning. - Water & Sanitation.	PT	13	10	71%
13.	<b>Kganyago</b> Madumetsa Stephen	ANC	Ward 35	- MPAC.	PT	13	12	92%
14.	<b>Kgare</b> Makwena Betty	ANC	PR	- Mayoral Committee (Admin and Governance). - Local Geographic Names.	FT	13	13	100%
15.	<b>Komape</b> Maphuti Paulina	EFF	PR	- Community Safety. - Housing.	PT	13	08	62%
16.	<b>Leballo</b> Mafiwa Mathews	EFF	Ward 13	- Admin and Governance. - Energy.	PT	13	04	31%
17.	<b>Lebogo</b> Matome Jacob	EFF	PR	- MPAC	PT	12	06	50%
18.	<b>Legodi</b> Nkgoba Patrick	ANC	Ward 5	- Community Safety. - Roads, Storm water and Transport. - Waste and Environment.	PT	13	12	92%
19.	<b>Lekota</b> Matjeana Frengelinah	EFF	PR	- Water and Sanitation -	PT	1	1	100%
20.	<b>Lephalala</b> Ledile Francinah	EFF	PR	- Community Safety.	PT	13	06	46%
21.	<b>Letsoalo</b> Makosha Frans	EFF	PR	- Rules and Ethics. - Sports, Arts, Culture & Special Programmes.	PT	13	07	54%
22.	<b>Lourens</b> Roelof Frederik	DA	Ward 23	- Energy. - Housing.	PT	13	12	92%
23.	<b>Lubbe</b> Henry	VF+	PR	- Community Safety. - Finance. - Housing.	PT	13	11	85%

NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
				- Roads, Stormwater and Transport. - Waste and environment.				
24.	<b>Mabasa</b> Mahlareng William	ANC	Ward 29	- Finance. - Rules and Ethics. - Housing.	PT	13	13	100%
25.	<b>Mabote</b> Makhasane Gloria	ANC	Ward 8	- Community Safety (Chairperson).	PT	13	11	85%
26.	<b>Madikoto</b> Willie Lancelot	ANC	Ward 10	- Energy - Housing	PT	4	4	100%
27.	<b>Mahladisa</b> Molatelo Justice	EFF	PR	- Finance. - Local Economic Development, Land Use and Spatial Planning.	PT	13	03	23%
28.	<b>Mahlatji</b> Mashego Solomon	ANC	Ward 4	- Water and Sanitation.	PT	13	10	77%
29.	<b>Mahopo</b> Sehlare Myron	EFF	PR	- Waste and Environment.	PT	13	06	54%
30.	<b>Mailula</b> Khutso Elias	ANC	Ward 17	- Admin and Governance. - Local Economic Development, Land Use and Spatial Planning. - Waste and Environment.	PT	13	12	92%
31.	<b>Makhafola</b> Malesela Daniel	ANC	PR	- MPAC.	PT	13	13	100%
32.	<b>Malatji</b> Kgashane Michael	ANC	Ward 32	- Finance. - Housing.	PT	13	12	92%
33.	<b>Malope</b> Seemole Jeneffer	ANC	PR	- Mayoral Committee (Waste and Environment).	PT	13	13	100%
34.	<b>Mamabolo</b> Tebele Jerry	ANC	PR	- Local Geographic Names.	PT	13	13	100%

NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
				- Mayoral Committee (Sports, Arts Culture & Special Programmes).				
35.	<b>Mamadi</b> Eliot	ANC	Ward 28	- Energy. - Finance. - Local Economic Development, Land Use and Spatial Planning.	PT	13	13	100%
36.	<b>Marx</b> Franco Hermanus	DA	Ward 39	- Local Economic Development, Land Use and Spatial Planning. - Rules and Ethics.	PT	13	06	46%
37.	<b>Mashabela Segwana</b> Angelina	EFF	PR	- Local Economic Development, Land Use and Spatial Planning. - Rules and Ethics.	PT	13	06	46%
38.	<b>Mashalane</b> Fikile Zanele	ANC	PR	- Mayoral Committee (Housing).	FT	13	12	92%
39.	<b>Mashangoane</b> Puleng Roseline	ANC	PR	- Mayoral Committee (Local Economic Development, Land Use and Spatial Planning). - Local Geographic Names.	FT	13	08	62%
40.	<b>Mathoho</b> Khathutshelo	ANC	Ward 14	- Community Safety. - Roads, Stormwater & Transport.	PT	13	13	100%
41.	<b>Mathye</b> Makgabo Veronica	ANC	Ward 43	- Sports, Arts, Culture & Special Programmes. - Roads, Stormwater & Transport. - Waste and Environment. - Water and Sanitation.	PT	13	13	100%

NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
42.	<b>Matonzi</b> Madimentsa Thomas	ANC	Ward 42	- Roads, Stormwater & Transport. - Energy. - Waste and Environment.	PT	13	10	77%
43.	<b>Moakamedi</b> Motlogeleng Alfred	ANC	PR	- Mayoral Committee (Water and Sanitation).	FT	13	13	100%
44.	<b>Modiba</b> Kobela Welhemina	ANC	PR	- Not allocated (Council Speaker).	FT	13	13	100%
45.	<b>Modiba</b> Maimela Daniel	ANC	Ward 34	- Admin and Governance. - Rules and Ethics. - Water & Sanitation.	PT	13	11	85%
46.	<b>Modiba</b> Mmatlou Thabitha	EFF	PR	- Admin and Governance.	PT	13	06	46%
47.	<b>Mogoboya</b> Moliki Linah	ANC	Ward 7	- Sports, Arts, Culture & Special Programmes. - Roads, Stormwater, & Transport.	PT	13	12	92%
48.	<b>Mohlapamaswi</b> Erick	COPE	PR	- Water and Sanitation.	PT	13	05	38%
49.	<b>Mokgohloa</b> Tlou Stephen	ANC	Ward 38	- Water and Sanitation (Chairperson).	PT	13	13	100%
50.	<b>Mokome</b> Mmajwala Sarah	EFF	PR	- Sports, Arts, Culture and Special Programmes.	PT	13	05	38%
51.	<b>Mokobodi</b> Mpho Victor	ANC	Ward 44	- Energy. - Sports, Arts, Culture and Special Programmes. - Housing.	PT	13	13	100%
52.	<b>Molepo</b> Fokisi James	ANC	Ward 3	- Community Safety.	PT	13	10	77%

NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
				- Local Economic Development, Land Use and Spatial Planning.				
53.	<b>Molepo</b> Mmathoto Magdeline	ANC	PR	- Rules and Ethics (Chairperson).	PT	13	13	100%
54.	<b>Molope</b> Nape Lydia	EFF	PT	- Local Economic Development, Land Use and Spatial Planning. - Waste and Environment	PT	11	02	18%
55.	<b>Moloto</b> Makwena Hazel	ANC	Ward 18	- Finance (Chairperson).	PT	13	10	77%
56.	<b>Moloto</b> Thabang Desmond	ANC	Ward 45	- Mayoral Committee (Roads, Stormwater & Transport)	PT	13	11	85%
57.	<b>Morifi</b> Tumiso Johannes	ANC	Ward 15	- Admin and Governance. - Community Safety. - Sports , Arts , Culture and Special Programmes. - Housing.	PT	13	11	84%
58.	<b>Morotoba</b> Mmakoma Florah	EFF	PR	- Water and Sanitation. - Local Geographic Names.	PT	13	09	69%
59.	<b>Moshoeu</b> Pontsho Esther	ANC	PR	- MPAC.	PT	13	11	84%
60.	<b>Mothapo</b> Legaseane Mavis	MSM	PR	- Energy.	PT	13	08	61%
61.	<b>Mothiba</b> Tumudi Piet	EFF	Ward 26	- Community Safety. - Roads, Storm water and Transport.	PT	13	06	46%
62.	<b>Mpe</b> Mosema John	ANC	PR	- Mayoral Committee (Chairperson)	FT	13	11	84%

NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
63.	<b>Mphelo</b> Mokgatshelwa Dorris	ANC	PR	- Community Safety. - Finance. - Local Economic Development, Land Use and Spatial Planning.	PT	13	11	84%
64.	<b>Murwa</b> Thosetse Phaka Kgolane	ANC	Ward 20	- MPAC.	PT	13	11	84%
65.	<b>Muthabine</b> Mmaphuti Rufus	ANC	Ward 27	- Committee of Chairpersons (Chairperson)	PT	13	12	92%
66.	<b>Nchabeleng</b> Mahlatse Magdeline	ANC	Ward 1	- Energy Services (Chairperson).	PT	13	12	92%
67.	<b>Ngoasheng</b> Lehlogonolo Herman	ANC	Ward 25	- Admin and Governance (Chairperson).	FT	13	12	92%
68.	<b>Nkwe</b> Tshepo	ANC	Ward 12	- Mayoral Committee (Finance).	FT	13	12	92%
69.	<b>Ntlemo</b> Tsakani Jacob	ANC	Ward 2	- Roads, Storm water & Transport. - Rules and Ethics. - Water and Sanitation.	PT	13	10	77%
70.	<b>Pemma</b> Joosnf	ANC	Ward 19	- Mayoral Committee (Community Safety).	PT	13	13	100%
71.	<b>Pheedi</b> Mmatlala Rekiel	ANC	PR	- Roads, Stormwater & Transport (Chairperson)	PT	13	12	92%
72.	<b>Phoshoko</b> Mapula Salome	ANC	Ward 6	- MPAC.	PT	13	11	85%
73.	<b>Phukubye</b> Dorothy	ANC	PR	- MPAC.	PT	13	12	92%
74.	<b>Pretorius</b> Mariette	DA	Ward 22	- Roads, Storm water and Transport.	PT	13	12	92%

NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
				<ul style="list-style-type: none"> <li>- Sports, Arts, Culture and Special Programmes.</li> <li>- Waste and Environment.</li> </ul>				
75.	<b>Rakoma</b> Thapelo Mashianoke David	EFF	PT	<ul style="list-style-type: none"> <li>- Water and Sanitation.</li> </ul>	PT	13	07	53%
76.	<b>Ralefatane</b> Mariri Johannes	ANC	PR	<ul style="list-style-type: none"> <li>- Energy.</li> <li>- Sports, Arts, Culture and Special Programmes.</li> <li>- Local Geographic Names.</li> </ul>	PT	13	13	100%
77.	<b>Ramakgolo</b> Mapula Meriam	ANC	PR	<ul style="list-style-type: none"> <li>- Admin and Governance.</li> <li>- Local Economic Development, Land Use and Spatial Planning.</li> <li>- Water and Sanitation.</li> </ul>	PT	13	13	100%
78.	<b>Ramaselele</b> Mahlomola Samuel	ANC	Ward 24	<ul style="list-style-type: none"> <li>- Local Economic Development, Land Use and Spatial Planning (Chairperson).</li> </ul>	PT	13	12	92%
79.	<b>Ramaphakela</b> Maketu Freddie	EFF	PR	<ul style="list-style-type: none"> <li>- MPAC.</li> </ul>	PT	13	10	77%
80.	<b>Ramoraswi</b> Matome Jeremiah	ANC	Ward 30	<ul style="list-style-type: none"> <li>- Energy.</li> <li>- Finance.</li> <li>- Rules and Ethics.</li> </ul>	PT	13	10	77%
81.	<b>Rapetswa</b> Phetola Adolph	ANC	PR	<ul style="list-style-type: none"> <li>- Not allocated (Whip of Council).</li> </ul>	FT	13	13	100%
82.	<b>Ratsoma</b> Michael	EFF	Ward 37	<ul style="list-style-type: none"> <li>- Finance.</li> <li>- Housing.</li> <li>- Waste and Environment.</li> </ul>	PT	13	08	61%
83.	<b>Retters</b> Hendrik Johannes	DA	Ward 21	<ul style="list-style-type: none"> <li>- Community Safety.</li> <li>- Water and Sanitation.</li> </ul>	PT	13	09	69%



NO.	CLLR NAME	POLITICAL PARTY	SEAT TYPE/WARD REPRESENTED	COMMITTEE ALLOCATION	FULL/PART TIME (FT/PT)	TOTAL COUNCIL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
84.	<b>Sathekge</b> Madimetja William	EFF	PR	- Finance. - MPAC - Local Geographic Names. - Roads, Stormwater & Transport.	PT	13	08	62%
85.	<b>Sebati</b> Segopotso Alleta	ANC	PR	- Admin and Governance. - Housing. - Sports, Arts, Culture and Special Programmes.	PT	13	13	100%
86.	<b>Segoale</b> Lesetja Martin	EFF	PR	- Admin and Governance. - Housing.	PT	13	02	15%
87.	<b>Shadung</b> Molepo Andries	ANC	Ward 41	- Local Geographic Names (Chairperson).	PT	13	09	69%
88.	<b>Shadung</b> Ramasela Vivian	ANC	Ward 40	- Housing (Chairperson).	PT	13	12	92%
89.	<b>Shibambu</b> Kganedi Bella	ANC	Ward 9	- Community Safety. - Energy. - Finance.	PT	13	12	92%
90.	<b>Sivhabu</b> Nomonde Albertina	ANC	Ward 11	- Mayoral Committee (Energy Services).	PT	13	13	100%

**APPENDIX B  
COMMITTEES AND COMMITTEE PURPOSES**

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
Admin and Governance Portfolio Committee	Provide political oversight over the Directorate of Corporate and Shared Services and Strategic Planning Monitoring and Evaluation, including the following functional areas: <ul style="list-style-type: none"> <li>• Customer Relations.</li> <li>• Executive and Council support operations.</li> <li>• Facilities Management.</li> <li>• Fleet Management.</li> <li>• Human Resources.</li> <li>• Information and Knowledge Management and records.</li> <li>• Information Systems and Technology.</li> <li>• Public Participation.</li> <li>• Any other matter referred.</li> </ul>	1. <b>Botha</b> Androe Hendrina	12	6	50%
		2. <b>Dikgale</b> Sewela Julia	7	5	71%
		3. <b>Hinne</b> Phologo Jerriel	12	11	92%
		4. <b>Leballo</b> Mafiwa Mathews	12	1	8%
		5. <b>Mailula</b> Khutso Elias	7	5	71%
		6. <b>Modiba</b> Maimela Daniel	12	11	92%
		7. <b>Modiba</b> Mmatlou Thabitha	12	9	75%
		8. <b>Morifi</b> Tumiso Johannes	12	7	58%
		9. <b>Ngoasheng</b> Lehlogonolo Herman (Chairperson)	7	7	100%
		10. <b>Ramakgolo</b> Mapula Meriam	7	7	100%
		11. <b>Sebati</b> Segopotso Alleta	12	9	75%
		12. <b>Segoale</b> Lesetja Martin	12	1	8%
Community Safety Portfolio Committee	Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to: <ul style="list-style-type: none"> <li>• Traffic policing.</li> <li>• Fire and Emergency Services.</li> </ul>	1. <b>Legodi</b> Nkgoba Patrick	1	1	100%
		2. <b>Lephalala</b> Ledile Francinah	9	6	67%
		3. <b>Lubbe</b> Henry	9	8	89%
		4. <b>Komape</b> Maphuti Pauline	9	3	33%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	<ul style="list-style-type: none"> <li>• Municipal police.</li> <li>• Disaster management.</li> <li>• Community protection.</li> <li>• Licensing of vehicles and drivers.</li> <li>• Any other matter referred.</li> </ul>	5. <b>Mabote</b> Makhasane Gloria (Chairperson)	5	5	100%
		6. <b>Mathoho</b> Khathutshelo	9	8	89%
		7. <b>Molepo</b> Fokisi James	9	6	67%
		8. <b>Morifi</b> Tumiso Johannes	9	7	78%
		9. <b>Mphelo</b> Mokgatshelwa Dorris	9	4	44%
		10. <b>Retters</b> Hendrik Johannes	9	5	56%
		11. <b>Shibambu</b> Kganedi Bella	9	8	89%
Energy Services Portfolio Committee	Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to: <ul style="list-style-type: none"> <li>• Electrification.</li> <li>• Eskom areas allocations.</li> <li>• Prioritization of villages to be electrified.</li> <li>• Free basic electricity.</li> <li>• Demand side management.</li> <li>• Non Grid electricity.</li> <li>• Promotion of alternative sources of energy.</li> <li>• Local energy forum.</li> <li>• Any other matter that may be referred.</li> </ul>	1. <b>Leballo</b> Mafiwa Mathews	10	2	20%
		2. <b>Lourens</b> Roelof Frederik	10	9	90%
		3. <b>Mamadi</b> Elliot	7	3	43%
		4. <b>Matonzi</b> Madimentsa Thomas	10	6	60%
		5. <b>Mokobodi</b> Mpho Victor	6	3	50%
		6. <b>Mothapo</b> Legaseane Mavis	10	7	70%
		7. <b>Nchabeleng</b> Mahlatse Magdeline (Chairperson)	6	6	100%
		8. <b>Ralefatane</b> Mariri Johannes	10	8	80%
		9. <b>Ramoraswi</b> Matome Jeremiah	10	6	60%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
		10. <b>Shibambu</b> Kganedi Bella	6	3	50%
Finance Portfolio Committee	Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to: <ul style="list-style-type: none"> <li>• Revenue.</li> <li>• Expenditure.</li> <li>• Debtors trends.</li> <li>• Budget preparation and process.</li> <li>• Management information System.</li> <li>• Supply Chain management.</li> <li>• Indigents.</li> <li>• Free basic water and free basic electricity.</li> </ul>	1. <b>Joubert</b> François Jacques	9	9	100%
		2. <b>Lubbe</b> Henry	9	8	89%
		3. <b>Mabasa</b> Mahlareng William	5	3	60%
		4. <b>Mahladisa</b> Molatelo Justice	9	3	33%
		5. <b>Malatji</b> Kgashane Michael	5	2	40%
		6. <b>Mamadi</b> Eliot	5	2	40%
		7. <b>Moloto</b> Makwena Hazel (Chairperson)	5	3	60%
		8. <b>Mphelo</b> Mokgatshelwa Dorris	9	4	44%
		9. <b>Ramoraswi</b> Matome Jeremiah	9	9	100%
		10. <b>Ratsoma</b> Michael	9	2	22%
		11. <b>Sathekge</b> Madimetja William	4	2	50%
		12. <b>Shibambu</b> Kganedi Bella	5	5	100%
Housing Portfolio Committee	Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to: <ul style="list-style-type: none"> <li>• Housing projects.</li> <li>• Rural housing.</li> </ul>	1. <b>Komape</b> Maphuti Paulina	8	6	75%
		2. <b>Lourens</b> Roelof Frederik	8	6	75%
		3. <b>Lubbe</b> Henry	8	5	63%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	<ul style="list-style-type: none"> <li>Housing allocations.</li> <li>Housing waiting list.</li> <li>Housing strategies.</li> <li>Any other matter that may be referred.</li> </ul>	4. <b>Mabasa</b> Mhlaheng William	8	4	50%
		5. <b>Malatji</b> Kgashane Michael	7	2	29%
		6. <b>Mokobodi</b> Mpho Victor	7	3	43%
		7. <b>Morifi</b> Tumiso Johannes	7	3	43%
		8. <b>Ratsoma</b> Michael	8	1	13%
		9. <b>Sebati</b> Segopotso Alleta	8	6	75%
		10. <b>Segoale</b> Martin Lesetja	8	1	13%
		11. <b>Shadung</b> Ramasela Vivian (Chairperson)	4	4	100%
Local Economic Development, Land Use and Spatial Planning Portfolio Committee	Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to: <ul style="list-style-type: none"> <li>Town planning schemes.</li> <li>Spatial Development Framework.</li> <li>Land Use Management.</li> <li>Land issues.</li> <li>Local Tourism.</li> <li>SMME support.</li> <li>Sustainable livelihoods programmes.</li> <li>Investment attraction and retention.</li> <li>Urban Renewal programmes.</li> </ul>	1. <b>Choshi</b> Phuti Piet	9	8	89%
		2. <b>Kalla</b> Sabber	9	8	89%
		3. <b>Mahladisa</b> Molatelo Justice	9	2	22%
		4. <b>Mailula</b> Khutso Elias	9	7	78%
		5. <b>Mamadi</b> Eliot	9	7	78%
		6. <b>Marx</b> Franco Hermanus	9	4	44%
		7. <b>Mashabela</b> Angelina Segwana	9	2	22%
		8. <b>Molepo</b> Fokisi James	5	4	80%
		9. <b>Molope</b> Nape Lydia	1	1	100%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	<ul style="list-style-type: none"> <li>Hawker management programmes.</li> <li>Any other matter that may be referred.</li> </ul>	10. <b>Mphelo</b> Mokgatshelwa Dorris	5	2	40%
		11. <b>Ramakgolo</b> Mapula Meriam	5	5	100%
		12. <b>Ramaselele</b> Mahlomola Samuel (Chairperson)	5	5	100%
Local Geographic Names Committee	<ul style="list-style-type: none"> <li>To advise and engage with the local authorities in ensuring the principles of the South African Geographical Names Council (SAGNC) are applied to names under their jurisdiction.</li> <li>To make recommendations to the SAGNC through Council on the names of a geographical feature that falls within its Municipal boundaries.</li> <li>To do preparatory work for the submissions of names to be sent to the SAGNC.</li> <li>To ensure that local communities and other stakeholders are adequately consulted.</li> </ul>	1. <b>Joubert</b> François Jacques	4	2	50%
		2. <b>Kalla</b> Sabber	4	4	100%
		3. <b>Kgare</b> Makwena Betty	4	2	50%
		4. <b>Mamabolo</b> Tebele Jerry	4	3	75%
		5. <b>Mashangoane</b> Puleng Roseline	4	1	25%
		6. <b>Morotoba</b> Mmakoma Florah	4	1	25%
		7. <b>Ralefatane</b> Mariri Johannes	4	4	100%
		9. <b>Sathekge</b> Madimetja William	4	2	50%
		10. <b>Shadung</b> Molepo Andries (Chairperson)	4	4	100%
Mayoral Committee	<ul style="list-style-type: none"> <li><b>Assisting the Executive Mayor:</b> The Mayoral Committee aids the Executive Mayor in executing their duties, providing advice, and helping implement the policies</li> </ul>	1. <b>Kgare</b> Makwena Betty	15	13	87%
		2. <b>Malope</b> Seemole Jeneffer	15	14	93%
		3. <b>Mamabolo</b> Tebele Jerry	15	14	93%
		4. <b>Mashalane</b> Fikile Zanele	15	15	100%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	and programs approved by the Council.	5. <b>Mashangoane</b> Puleng Roseline	15	11	73%
	<ul style="list-style-type: none"> <li>• <b>Policy Development and Oversight:</b> The committee plays a significant role in developing municipal policies and ensuring that these policies are implemented effectively. They also oversee the performance of municipal departments and ensure that the municipality's strategic goals are met.</li> </ul>	6. <b>Moakamedi</b> Motlogeleng Alfred	15	13	87%
		7. <b>Moloto</b> Thabang Desmond	15	14	93%
		8. <b>Mpe</b> Mosema John (Chairperson)	15	14	93%
		9. <b>Nkwe</b> Tshepo	15	14	93%
		10. <b>Pemma Joosnf</b>	15	14	93%
	<ul style="list-style-type: none"> <li>• <b>Strategic Planning:</b> The Mayoral Committee participates in strategic planning for the municipality, including the development and review of the Integrated Development Plan (IDP) and the budget.</li> <li>• <b>Decision-Making:</b> While the ultimate decision-making authority lies with the Council, the Mayoral Committee is often responsible for making decisions on certain matters delegated to it by the Council, particularly those that require detailed examination and expertise.</li> <li>• <b>Monitoring and Evaluation:</b> The committee monitors the</li> </ul>	11. <b>Sivhabu</b> Nomonde Albertina	13	12	92%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	<p>implementation of Council decisions, projects, and programs. It evaluates their effectiveness and ensures that corrective measures are taken when necessary.</p> <ul style="list-style-type: none"> <li>• <b>Advisory Role:</b> It provides the Executive Mayor with recommendations and insights on various issues, helping to inform decision-making and policy formulation.</li> <li>• <b>Public Engagement:</b> The committee plays a role in engaging with the public and stakeholders, ensuring that their views and concerns are considered in municipal decision-making processes.</li> <li>• <b>Promotion of Good Governance:</b> The committee ensures that principles of good governance, transparency, accountability, and ethical behaviour are upheld within the municipality.</li> </ul>				
Municipal Public Accounts Committee	<ul style="list-style-type: none"> <li>• Reviewing of the Auditor-General's reports and comments of the</li> </ul>	1. <b>Chidi</b> Tiny Doraine Ramathabatha	13	8	62%
		2. <b>Clarke</b> Susanna Elizabeth	15	12	80%



MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED		
	<p>management committee and the audit committee.</p> <ul style="list-style-type: none"> <li>Review of the internal audit reports together with comments from the management committee and the audit committee.</li> <li>Initiating and developing the oversight report on annual reports contemplated in section 129 of the Local Government: Municipal Finance Management Act 32 of 2003.</li> <li>Attending to and making recommendations to the municipal council on any matter referred to it by the municipal council, executive committee, a committee of the council, a member of the committee (MPAC), a councillor and the Municipal Manager.</li> <li>Investigate and reporting to the municipal council on any matter affecting the Municipality.</li> </ul>	3. <b>Kganyago</b> Madumetsa Stephen	10	6	60%		
		4. <b>Lebogo</b> Matome Jacob	13	2	15%		
		5. <b>Makhafola</b> Malesela Daniel	14	13	93%		
		6. <b>Moshoeu</b> Pontsho Esther	10	3	30%		
		7. <b>Murwa</b> Thosetse Phaka Kgolane	10	8	80%		
		8. <b>Phoshoko</b> Mapula Salome (Chairperson)	11	11	100%		
		9. <b>Phukubye</b> Dorothy	10	8	80%		
		10. <b>Ramaphakela</b> Maketu Freddy	14	8	57%		
		Roads, Storm water & Transport.	<ul style="list-style-type: none"> <li>Plays oversight, develops policies and by-laws, and</li> </ul>	1. <b>Hopane</b> Madimetja Edward	9	5	56%
				2. <b>Legodi</b> Nkgoba Patrick	9	6	67%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED		
	<p>ensures public participation on matters relating to:</p> <ul style="list-style-type: none"> <li>• Construction of road network &amp; management.</li> <li>• Upgrading of roads infrastructure.</li> <li>• Maintenance of roads &amp; storm water infrastructure.</li> <li>• Management of roads &amp; storm water infrastructure.</li> <li>• Overall roads &amp; storm water assets management.</li> <li>• Any other matter that may be referred.</li> </ul>	3. <b>Lubbe</b> Henry	9	7	78%		
		4. <b>Mathoho</b> Khathutshelo	9	8	89%		
		5. <b>Mathye</b> Makgabo Veronica	5	4	80%		
		6. <b>Matonzi</b> Madimentsa Thomas	9	8	89%		
		7. <b>Mogoboya</b> Moliki Linah	9	6	67%		
		8. <b>Mothiba</b> Piet Tumudi	9	2	22%		
		9. <b>Ntlemo</b> Tsakani Jacob	9	5	56%		
		10. <b>Pheedi</b> Mmatlala Rekiel (Chairperson)	5	5	100%		
		11. <b>Pretorius</b> Mariette	9	8	89%		
		12. <b>Sathekge</b> Madimetja William	8	7	88%		
		Rules and Ethics Committee	<ul style="list-style-type: none"> <li>• Development of policies to assist implementation of the Code of Conduct for Councillors.</li> <li>• Development of rules to enhance efficiency and effectiveness of Council and its committees.</li> <li>• Monitoring and evaluation of compliance with the Code of Conduct for Councillors.</li> </ul>	1. <b>Baloyi</b> Khazamola Joseph	5	5	100%
				2. <b>Dikgale</b> Sewela Julia	3	3	100%
3. <b>Mabasa</b> Mahlareng William	3			3	100%		
4. <b>Letsoalo</b> Makosha Frans	5			3	60%		
5. <b>Marx</b> Franco Hermanus	5			1	20%		
6. <b>Mashabela</b> Angelina Segwana	5			3	60%		
7. <b>Modiba</b> Maimela Daniel	5			4	80%		

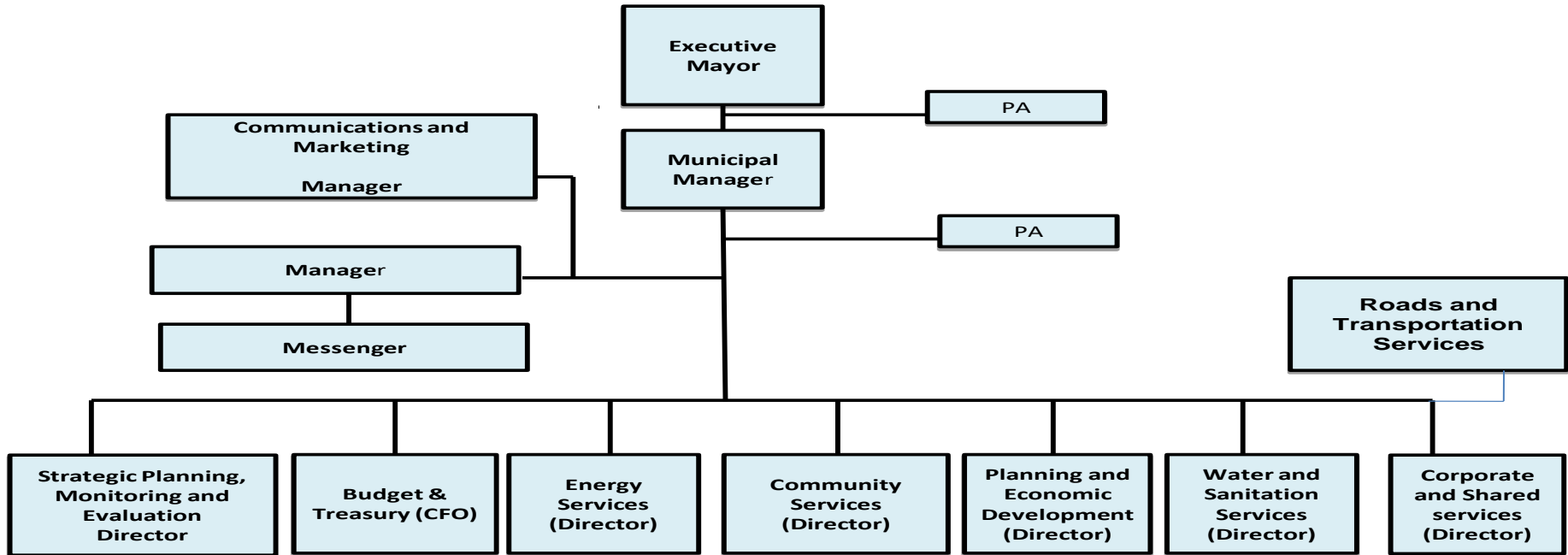
MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	<ul style="list-style-type: none"> <li>To act as a disciplinary committee for contravention of the Code of Conduct for Councillors.</li> </ul>	8. <b>Molepo</b> Mmathoto Magdeline (Chairperson)	5	5	100%
		9. <b>Ntlemo</b> Tsakani Jacob	3	3	100%
		10. <b>Ramoraswi</b> Matome Jeremiah	5	5	100%
Sport, Arts, Culture and Special Programmes Portfolio Committee	<ul style="list-style-type: none"> <li>Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to:</li> <li>Sports and recreation facilities.</li> <li>Libraries, museums and archives.</li> <li>Cultural activities.</li> <li>HIV/AIDS programmes.</li> <li>Mainstreaming of gender, youth and disability issues.</li> <li>Intervention programmes.</li> <li>Any other matter that may be referred.</li> </ul>	1. <b>Baloyi</b> Khazamula Joseph	10	9	90%
		2. <b>Hamise</b> Lebeko Harry (Chairperson)	5	5	100%
		3. <b>Hiine</b> Phologo Jerrie	10	7	70%
		4. <b>Letsoalo</b> Makosha Frans	10	4	40%
		5. <b>Mathye</b> Makgabo Veronica	5	2	40%
		6. <b>Mogoboya</b> Moliki Linah	5	4	80%
		7. <b>Mokome</b> Mmajwala Sarah	10	5	50%
		8. <b>Morifi</b> Tumiso Johannes	5	5	100%
		9. <b>Pretorius</b> Mariette	10	10	100%
		10. <b>Ralefatane</b> Mariri Johannes	5	5	100%
		11. <b>Sebati</b> Segopotso Aletta	5	4	80%
		1. <b>Baloyi</b> Khazamola Joseph	9	9	100%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
Waste and Environment Portfolio Committee	<ul style="list-style-type: none"> <li>Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to:</li> <li>Mainstreaming of environmental issues.</li> <li>Parks, cemeteries and game reserves.</li> <li>Waste management in rural and urban areas.</li> <li>Public ablution facilities.</li> <li>Any other matter that may be referred.</li> </ul>	2. <b>Bologo</b> Ntshavheni (Chairperson)	9	7	78%
		3. <b>Dikgale</b> Sewela Julia	5	2	40%
		4. <b>Legodi</b> Nkgoba Patrick	9	7	78%
		5. <b>Lubbe</b> Henry	9	7	78%
		6. <b>Mailula</b> Khutso Elias	5	2	40%
		7. <b>Mahopo</b> Myron Sehlare	9	2	22%
		8. <b>Mathye</b> Makgabo Veronica	9	9	100%
		9. <b>Matonzi</b> Madimetsa Thomas	5	2	40%
		10. <b>Pretorius</b> Mariette	9	7	78%
		11. <b>Ratsoma</b> Michael	9	4	44%
		Water and Sanitation Portfolio Committee	<ul style="list-style-type: none"> <li>Plays oversight, develops policies and by-laws, and ensures public participation on matters relating to:</li> <li>Implementation of Accelerated Rural Water Programmes.</li> <li>Water Services Development.</li> <li>Free Basic Water.</li> <li>Rural Sanitation programme.</li> <li>Urban Water schemes</li> <li>Urban Sanitation Programme.</li> </ul>	1. <b>Kalla</b> Sabber	5
2. <b>Mahlatji</b> Mashego Solomon	9			5	56%
3. <b>Mathye</b> Makgabo Veronica	9			6	67%
4. <b>Modiba</b> Maimela Daniel	5			5	100%
5. <b>Mohlapamaswi</b> Erick	9			6	67%
6. <b>Mokgohloa</b> Tlou Stephen (Chairperson)	9			9	100%
7. <b>Morotoba</b> Mmakoma Florah	9			2	22%

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	<ul style="list-style-type: none"> <li>Any other matter that may be referred.</li> </ul>	8. <b>Ntlemo</b> Tsakani Jacob	9	7	78%
		9. <b>Rakoma</b> Thapelo David	4	3	75%
		10. <b>Ramakgolo</b> Mapula Meriam	5	4	80%
		11. <b>Retters</b> Hendrik Johannes	9	6	67%
Committee of Chairpersons	<ul style="list-style-type: none"> <li>Coordination of the work of all the committees of Council appointed in terms of section 79 of the Local Government Municipal structures Act 117 of 1998.</li> <li>Evaluation of the performance of Council Committees.</li> <li>Provision of guidance and advice to Chairpersons as to rules, procedures and functions.</li> <li>Facilitation of capacity building of chairpersons.</li> <li>Preparation of guidelines to enable chairpersons to effectively fulfil their roles.</li> <li>Ensuring that committees are functioning smoothly and effectively.</li> <li>To discuss the coordination, supervision and monitoring of the activities and functioning of the various ad hoc</li> </ul>	1. <b>Bologo</b> Ntshavheni	2	2	100%
		2. <b>Hamise</b> Lebeko Harry	2	2	100%
		3. <b>Mabote</b> Makhasane Gloria	2	2	100%
		4. <b>Mokgohloa</b> Tlou Stephen	2	2	100%
		5. <b>Molepo</b> Mmathoto Magdeline	N/a	N/a	N/a
		6. <b>Moloto</b> Makwena Hazel	2	1	50%
		7. <b>Muthabine</b> Mmaphuti Rufus (Chairperson)	2	2	100%
		8. <b>Nchabeleng</b> Magdeline Mahlatse	2	2	100%
		9. <b>Ngoasheng</b> Lehlogonolo Herman	2	0	0%
		10. <b>Pheedi</b> Mmatlala Rekiel	2	2	100%
		11. <b>Phoshoko</b> Mapula Salome	N/a	N/a	N/a
		12. <b>Ramaselele</b> Mahlomola Samuel	2	1	50%
		13. <b>Shadung</b> Molepo Andries	N/a	N/a	N/a

MUNICIPAL COMMITTEE	MUNICIPAL FUNCTIONS PERFORMED/OVERSEEN BY THE COMMITTEE	COUNCILLORS SERVING ON THE COMMITTEE	TOTAL MEETINGS	TOTAL ATTENDED	PERCENTAGE ATTENDED
	<p>committees affecting the scheduling or functioning of any committee of the legislative arm of Council or other forum of the legislative arm of Council.</p> <ul style="list-style-type: none"> <li>Any other matter that may be referred</li> </ul>	14. <b>Shadung</b> Ramasela Vivian	2	2	100%

APPENDIX C: ORGANOGRAM



**APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY**

<b>Municipal / Entity Functions</b>		
<b>Municipal functions</b>	<b>Function applicable to municipality (Yes/No)</b>	<b>Function applicable to Entity (Yes/No)</b>
Constitution schedule 4,part B functions		
Air pollution	yes	No
Building regulation	yes	No
Child care facilities	No	No
Electricity and gas reticulation	yes	No
Firefighting service	yes	No
Local tourism	yes	No
Municipal airports	No	No
Mining planning	No	No
Municipal health service	yes	No
Municipal public transport	No	No
Municipal public works only in respect of the need of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other	yes	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related	No	No



<b>Municipal / Entity Functions</b>		
<b>Municipal functions</b>	<b>Function applicable to municipality (Yes/No)</b>	<b>Function applicable to Entity (Yes/No)</b>
Storm water management systems in built up areas	yes	No
Trading regulation	yes	No
Water and sanitation services limited to potable water supply system and domestic waste water and sewage disposal system	yes	No
Constitution schedule 5, part B functions		
Beaches and amusement facilities	No	No
Billboards and display of advertisement in public places	yes	No
Cleansing	yes	No
Control of public nuisance	yes	No
Cemeteries, funeral parlour and crematoria	yes	No
Control of undertakings that sell liquor to the public	yes	No
Facilities for the accommodation, care and burial of animals	yes	No
Fencing and fences	yes	No
Licensing of dogs	No	No
Licensing and control of undertaking that sell food to the public	yes	No
Local amenities	No	No

<b>Municipal / Entity Functions</b>		
<b>Municipal functions</b>	<b>Function applicable to municipality (Yes/No)</b>	<b>Function applicable to Entity (Yes/No)</b>
Local sport facilities	yes	No
Markets	yes	No
Municipal abattoirs	No	No
Municipal Park and recreation	yes	No
Municipal roads	yes	No
Noise pollution	yes	No
Pounds	No	No
Public places	yes	No
Refuse removal, refuse dumps and solid waste disposal	yes	No
Street trading	yes	No
Street lighting	yes	No
Traffic and parking	yes	No

## APPENDIX E: WARD REPORTING

Part 4 of the Local Government Municipal Structures Act 117 of 1998 provides for the establishment of Ward Committees, including:

- Functions and powers of ward committees.
- Term of office of members.
- Vacancies.
- Dissolution of ward committees.

In pursuance of the aforesaid provisions, Polokwane Municipality has established ward Committees in all its 45 Wards. The Municipality has also approved a **By-law on the Establishment and Operations of Ward Committees** to regulate all matters related to Ward Committees. The Ward Committees are representative of the following diversity of the following interests as far as is practically possible:

- Special focus groups (Senior citizens, people living with disabilities, youth and women).
- Religious groupings.
- Sport, arts and culture.
- Health and welfare.
- Business.
- Environment.
- Education.
- Community safety forums.
- Community based organisations.
- Ratepayers' associations.
- Traditional leaders.
- Agricultural associations.
- Informal traders' associations.
- Farm workers.

Powers and functions of the Ward Committees of Polokwane Local Municipality are as follows:

- May make recommendations on any matter affecting their Ward to the Ward Councillor, or through the Ward Councillor, to Council.
- To serve as official specialised participatory structures in the Municipality by:
  - Creating a formal unbiased communication channel as well as cooperative partnerships between the community and the Council.
  - Serving as mobilising agent for organised community action within the ward.
- May conduct annual satisfaction surveys in order to assist them in execution of their powers and functions.
- May express dissatisfaction in writing to the municipal Council on the non-performance of a Ward Councillor through the Office of the Speaker.

Ward Committee members submit reports monthly, which are consolidated and served in the Council on a quarterly basis.

**APPENDIX F – WARD INFORMATION: SEVEN LARGEST PROJECTS 2023/24**

No	IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24 (R,00)
1	CWP_02	Director Water and Sanitation	Water and Sanitation	Mothapo RWS	6, 31, 24	28 180 722
2	CWP_14	Director Water and Sanitation	Water and Sanitation	Construction of ventilated pit latrines	09, 10, 15, 16, 18, 35, 36, 38, 09, 10, 15, 16, 18, 35, 36, 38	60 000 000
3	CWP_15	Director Water and Sanitation	Water and Sanitation	Regional Wastewater Treatment Plant	11, 12, 13, 14, 17, 37, 8, 19, 20, 21, 22, 23, 39	RBIG: 148 129 433; CRR: 62 730 995
4	CWP_18	Director Water and Sanitation	Water and Sanitation	Aganang RWS (2)	43 & 45	29 209 723
5	CWP_19	Director Water and Sanitation	Water and Sanitation	Aganang RWS (3) (Ramalapa, Mashamaite, Makgodu, Mars)	40, 41, 42, 43, 44 & 45	16 772 370
6	CWP_41	Director Energy Services	Energy Services: Planning and Development	Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 2 and phase 3)	13, Seshego Zone 8 Extension 133	15 329 293
7	CWP_120		Public Transport Infrastructure Development	Construction of Bus station upper structure (general Joubert str)	City	19 694 782

**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2023/24**

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Audit Comment	Reason for non-implementation of the resolution
1.	<b>01/20/07/2023</b>  <b>Internal Audit Action Plan</b>	<b>Inclusion of 2022/2023 findings in the IA tracking register</b>  IA to finalize the updating of 2022/2023 findings to the tracking register and frequently include any other finding for the current financial year as and when projects are completed	CAE(IA)	10 Aug 2023	<b>Implemented</b>	All findings raised in the 2022/2023 financial year are included in the IA tracking register.	Refer to management comments	None
2.	<b>02/20/07/2023</b>  <b>Risk management reports</b>	<b>Risk management reports</b>  Fraud and ethics to be included as a standard item	CRO	Ongoing	<b>Implemented</b>	Fraud and ethics is now included as a standard item in all ordinary APAC meetings	Refer to management comments	None
3.	<b>03/01/07/2023</b>  <b>UIFW Report</b>	<b>Latest UIFW report to APAC</b>  That a report of what was identified as UIFW from the previous audit will be shared with APAC.	<b>Acting CFO</b>	21 Jul 2023	<b>Implemented</b>	The latest UIFW report was submitted.	The report was sent to APAC on 21 July 2023	None
4.	<b>01/15/08/2023</b>  <b>Draft APR 2022/2023</b>	<b>Inputs by APAC on the draft APR 2022/2023</b>  The following be updated on the draft APR 2022/2023:  <ul style="list-style-type: none"> <li>An alignment between the performance and finance related to the CWP's. The expenditure column in the APR be updated in accordance with the finance report.</li> </ul>	<b>CAE/SPME</b>	31 Aug 2023	<b>Implemented</b>	All the inputs that were raised at the meeting were effected. Management also addressed the matters raised post APAC	A follow-up was conducted by IA and all the issues were addressed	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment / Audit	Reason for non-implementation of the resolution
		<ul style="list-style-type: none"> <li>The reported performance of KPIs is aligned to the adjusted SDBIP.</li> <li>Where the target is not achieved, challenges and Corrective measures must be clearly stated, auditable and aligned to the KPI.</li> <li>The EM and MM's foreword be closed off. The content page be aligned to the pages.</li> <li>Confirm the dates which have been stated in terms of the SDBIP submission for approval and adjusted under "introduction" on page 06.</li> <li>On AGSA findings, include a summary of how many findings are raised, implemented and in progress.</li> <li>Columns for Summary of Municipal Performance 2022/2023 financial year be updated.</li> <li>The legends of the colour coding be explained, and baselines be confirmed.</li> <li>BSD_TL04(Increase % of household with access to sanitation by 1.68%) be updated with the correct actual performance. Ensure that the applications for urban water and sewer correspond with the sewer list.</li> </ul>						

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment / Audit	Reason for non-implementation of the resolution
		<ul style="list-style-type: none"> <li>All blank columns be completed especially the actual project expenditure.</li> </ul>						
5.	03/15/08/2023  Draft APR 2022/2023	<p><b>Inputs by APAC on the draft AFS 2022/2023</b></p> <p>In addition to other inputs submitted by APAC members directly to management, the following be re-looked:</p> <ul style="list-style-type: none"> <li>The date under the revaluations paragraph be rectified.</li> <li><b>Cosmetic issues:</b> Under the table of Contents, management should rectify that the AFS is presented to the council and not the provincial legislature, edit where it stated interim instead of annual and add more information related to going concern.</li> </ul>	ACFO	31 Aug 2023	Implemented	All the issues that were raised by APAC and IA were effected.	Confirms that all the inputs made by APAC and IA were effected.	None
6.	02/15/08/2023  Draft APR 2022/2023	<p><b>Inclusion of Electricity and Water losses performance on the adjusted SDBIP and PMS 2023/2024</b></p> <p>Losses performance related to Water and Electricity be included after the SDBIP 2023/2024 is adjusted and reported quarterly under PMS and APR.</p> <p>Relevant management be briefed by SPME.</p>	Director: SPME, Director: Water & Sanitation, Director: Energy	28 February 2024	Implemented	The indicators and Electricity and Water losses have been included in the Revised 2023/24 SDBIP. The SDBIP will be tabled in Council on the 28 February 2024.	Verified the revised SDBIP and confirmed that the plan has been adjusted to include water and electricity losses. Reference numbers are BSD_TL21&22.	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Audit Comment	Reason for non-implementation of the resolution
7.	<b>01/24/08/2023</b> <b>Draft APR 2022/2023</b>	<b>APAC Declaration of interest forms for every financial year and each meeting</b>  Chairperson will design and share forms with CAE for APAC members to declare conflict of interest annually and for every meeting.	<b>CAE/APAC members</b>	05 Sep 2023	<b>Implemented</b>	Annual declaration forms for each meeting and annually have been designed and will be forwarded to members to complete.	Same as management comments	None
8.	<b>02/24/08/2023</b> <b>Draft APR 2022/2023</b>	<b>Assurance on the completeness of the UIFW register.</b>  That the assurance on the completeness of the UIFW register be provided by CAE.	<b>CAE</b>	31 Aug 2023	<b>Implemented</b>	A reconciliation was performed and the outcomes as of 28/08/2023 revealed an irregular expenditure not investigated to an amount of <b>R101 890 890</b> .  Fruitless and wasteful expenditure relating to RAW amounting to <b>R16 680 253</b> is under investigation by MPAC.  The Fruitless and wasteful expenditure relating to ESKOM amounting to <b>R444 793</b> and unauthorised expenditure amounting to <b>R52 127 220</b> are still to be referred to the Financial Misconduct Board.	A follow up was done with Risk management and confirmed that some of the expenditures have been investigated or are under investigation and some are still to be referred to the Financial Misconduct Board.	None



No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment	Audit	Reason for non-implementation of the resolution
9.	<b>03/24/08/2023</b>  <b>Draft APR 2022/2023</b>	<b>The outcome of final review of AFS 2022/2023 by Co-source</b>  That Morar Co-source share the outcome of the meeting and updated report of the fourth and final version of AFS 2022/2023 with APAC.	CAE	31 Aug 2023	<b>Implemented</b>	The updated AFS notes were emailed to the APAC on the 30 <sup>th</sup> of August, and final review notes were also forwarded to the members on the 1 <sup>st</sup> of September after submission of the AFS to the AG	The updated AFS notes were emailed to the APAC on the 30 <sup>th</sup> of August, and final review notes were also forwarded to the members on the 1 <sup>st</sup> of September after submission of the AFS to the AG		None
10.	<b>04/24/08/2023</b>  <b>Draft APR 2022/2023</b>	<b>Inputs on the final set of AFS 2022/2023 by APAC</b>  Another meeting be arranged for APAC members and the Chairperson will communicate how the final AFS 2022/2023 will be considered by APAC.	CAE/APAC chairperson	31 Aug 2023	<b>Implemented</b>	Instead of having another virtual meeting. APAC members forwarded their inputs/review notes on the 3 <sup>rd</sup> version of the Draft AFS to the Acting CFO.	Same as management Comments		None
11.	<b>05/24/08/2023</b>  <b>Draft APR 2022/2023</b>	<b>APAC meeting to provide inputs on the third version of the AFS.</b>  That APAC members go through the latest (third) version of AFS which has been presented and provide inputs via email directly to management.	APAC members /CAE	26 Aug 2023	<b>Implemented</b>	APAC inputs on the third version have been provided by APAC on the 26 <sup>th</sup> and 27 <sup>th</sup> of August 2023	Same as management comments		None
12.	<b>06/24/08/2023</b>  <b>Draft APR 2022/2023</b>	<b>Standard attendees for APAC and OPCA meetings</b>  NT, PT and COGHSTA be included in the list of standard attendees for all APAC and OPCA meetings.	CAE	19 Oct 2023 (APAC)  Weekly (OPCA)	<b>Implemented</b>	NT, PT and COGHSTA are invited to OPCA meetings.  NT, PT and COGHSTA have also been invited at APAC Meetings.  NT, PT and COGHSTA were invited for the APAC Meeting to	Same as management comments.		None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment	Audit	Reason for non-implementation of the resolution
						discuss the audit strategy (28 Sep 2023)			
13.	<b>07/24/08/2023</b> <b>Draft APR 2022/2023</b>	<b>Sharing of AFS and APR 2022/2023 with treasury</b>  A copy of the AFS and APR 2022/2023 be shared with provincial or national treasury for inputs.	<b>ACFO, SPME &amp; CAE</b>	31 Aug 2023	<b>Implemented</b>	Copies of both the AFS and APR were shared with NT & PT for inputs.  Inputs were received on the AFS and none for the APR. All inputs received on the AFS were affected	Same as management comments		None
14.	<b>08/24/08/2023</b> <b>Draft APR 2022/2023</b>	<b>Inputs on the AFS 2022/2023 by COGHSTA</b>  That COGHSTA submit their inputs on the draft AFS 2022/2023.	<b>COGHSTA/CAE</b>	31 Aug 2023	<b>Implemented</b>	Copies of both the AFS and APR were shared with COGHSTA for inputs.  Inputs were received on both effected by Management.	Same as management comments		None
15.	<b>09/24/08/2023</b> <b>Draft APR 2022/2023</b>	<b>Updated version of APR 2022/2023 with APAC</b>  An updated version of the draft APR 2022/2023 be shared with IA and APAC.	<b>Acting Director: SPME</b>	25 Aug 2023	<b>Implemented</b>	An updated version of APR 2022/2023 has been shared	An updated version of APR has been received by IA and shared with APAC on the 27 <sup>th</sup> of August 2023		None
16.	<b>11/24/08/2023</b> <b>Draft APR 2022/2023</b>	<b>Review of an updated version of APR 2022/2023 by IA</b>  That IA reviews the updated version of APR 2022/2023 and gives assurance that all reported performance is supported by POEs.	<b>AGSA/CAE</b>	31 Aug 2023	<b>Implemented</b>	A follow up review was conducted by IA and report was issued on the 31 August 2023.	Same as management Comments		None
17.	<b>02/28/09/2023</b>	<b>Attendance of AG ISA team at the APAC meeting to discuss MR and AR</b>	<b>AGSA/CAE</b>	17 Nov 2023	<b>Implemented</b>	The ISA team were not in attendance; however, the	Same as management comments		None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment	Audit	Reason for non-implementation of the resolution
	<b>AGSA Audit strategy 2022/2023</b>	AG ISA team be present during the presentation of MR and AR to the next APAC meeting to verbally clarify observations observed during audit, if necessary.				presentation of the MR also covered the ISA issues.			
18.	<b>01/19/10/2023</b>  <b>Quarterly Ethics moment</b>	<b>Clarity of APAC declaration by RMU</b>  Risk management unit to re-look, research and clarify on how APAC members must declare their interest including when attending all meetings.	<b>Manager: Risk management</b>	30 Dec 2023	<b>Implemented</b>	The annual declaration of interest forms was circulated to APAC members for completion. APAC members also sign the declaration per meeting.	Copy of Once off disclosure of financial interest form have been kept for record keeping purpose.		None
19.	<b>02/19/10/2023</b>	<b>Alignment of IA tracking register with municipal risk appetite and tolerance level</b>  Clarity to be given if the current percentage of 56 or any implementation status of the IA tracking register is within the municipal risk appetite and tolerance level.	<b>CRO/CAE</b>	23 Jan 2024	<b>Implemented</b>	The risk tolerance framework was presented to APAC on the 18 <sup>th</sup> of April 2024. Assessment of the findings on the IA Tracking register is also done inline with the appetite and tolerance levels.	The findings on the IA Tracking register are assessed in line with the approved levels		None
20.	<b>03/19/10/2023</b>  <b>IA action plan</b>	<b>Alignment of IA tracking register with frequent developments in the municipality</b>  All progress provided on IA tracking register's findings must be updated in accordance with frequent developments within the municipality and it's understandable that is not the sole responsibility of IA e.g. A finding	<b>CRO/CAE</b>	23 Jan 2024	<b>Implemented</b>	Update on the implementation of the IA action plan is done on a weekly basis and reviewed for relevance.	Action plans and progress reported are done on a weekly basis and are commensurate with the development of the municipality.		None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment / Audit	Reason for non-implementation of the resolution
		under overtime audit in CSS directorate does not correspond with the update provided by the MM that from now on, emergency overtime is approved by the MM.						
21.	05/19/10/2023  External Service providers 'performance	<b>Updating of LED_TL05</b>  LED_TL05 must be re-looked at what needs to be measured, if it's the number of events held or number of job opportunities created through trading.	Director: PED	23 Jan 2024	Implemented	The KPI was revised and now reflects that what is been measured is the number of job opportunities created, not held.	Quarterly LED report is now an item in APAC meetings.	None
22.	06/19/10/2023  External Service providers 'performance assessment	<b>Review of Service providers 'performance by IA</b>  IA must review the External Service providers 'performance assessment to prepare for the year end.	CAE	30 June 2024	Implemented	Report to be tabled in the July APAC meeting	Done	None
23.	07/19/12/2023  External Service providers 'performance assessment	<b>The use of Service providers 'performance to identify emerging risks.</b>  RMU must Use the External Service providers 'performance assessment report to identify the emerging risks	CRO	30 June 2024	Implemented	Project risk assessment report which include service provider performance is analysed to identify emerging risk.	Project risk assessment report have been provided as portfolio of evidence for the resolution. Refer to the attached marked as "Res 35 – Project risk report.	None
24.	08/19/10/2023  01st Quarter IA Progress Report	<b>Quarterly update of Budget vs Spending of IA</b>  A summary about the financial reports of internal audit be included in the IA quarterly progress report to assist in linking the financial and non-financial performance with budget e.g., progress on CPD program.	CAE	23 Jan 2024	Implemented	The update on the budget vs actual expenditure of IA is incorporated in the quarterly IA progress reports.	Same as management reports	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments /	Internal Comment	Audit	Reason for non-implementation of the resolution
25.	09/19/10/2023  01st Quarter IA Progress Report	<b>Progress on the approved quality improvement plan</b>  An update of quality improvement plan be included in the IA quarterly progress report to provide APAC with assurance that quality control standards are implemented when audits are done, and methodology is complied with.	CAE	23 Jan 2024	<b>Implemented</b>	The progress on the implementation of Quality Improvement plan is included in the quarterly IA progress report and served at the APAC meeting held on 23 January 2024.	Same as management comments		None
26.	10/19/10/2023  01st Quarter IA Progress Report	<b>Review of procedure on Inventory valuation audit 2023/2024</b>  With regards to finding 3.1 of the inventory valuation report, Check the correctness of whether the valuation of inventory or subsequent measurement of inventory were reviewed. The Audit project was finalized but the procedure can still be updated when the same audit is conducted during the 2024/2025 financial year.	CAE	30 Aug 2024	<b>Implemented</b>	The review of procedures related to the valuation of inventory was done.	Same as management comments		None
27.	11/19/10/2023  01st Quarter IA Progress Report	<b>Progress on CAP</b>  Progress on Combined assurance plan to be provided in the next ordinary meeting.	CAE	23 Jan 2024	<b>Implemented</b>	The progress on CAP served at the ordinary APAC Meeting held on 23 January 2024.	Same as management comments		None
28.	12/19/10/202  Adoption of minutes of prior meetings	<b>Postponement of APAC minutes to the next ordinary meeting to be held on the 23 January 2024</b>  Minutes of the 20 July 2023, 24 August 2023 and 28 September 2023 to be postponed for approval	All APAC members/CAE	23 Jan 2024	<b>Implemented</b>	Draft APAC minutes of previous meetings were presented and approved in the ordinary APAC meeting held on 23 January 2024.	Same as management comments		None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Audit Comment	Reason for non-implementation of the resolution
		to the next ordinary APAC meeting due to other members not present						
29.	<b>01/27/11/2023</b> <b>Draft Audit Report 2022/2023</b>	That the LED_TL05 indicators be refined and updated during the SDBIP adjustments to address the inconsistency issues.	<b>Director: PED</b> <b>Director: SPME</b>	28 Feb 2024	<b>Implemented</b>	Implemented and addressed in the Revised 2023/24 SDBIP.	Verified the revised SDBIP 2023/2024 and confirmed that LED_TL01 refined and LED_TL06 was removed	None
30.	<b>02/27/11/2023</b> <b>Draft Audit Report 2022/2023</b>	That the following indicators on core functions be included in the SDBIP during adjustment. <ul style="list-style-type: none"> <li>• Building regulations</li> <li>• Firefighting services</li> <li>• Billboards and the display of advertisements in public places</li> <li>• Cemeteries</li> <li>• Control of public nuisances</li> <li>• Local sport facilities</li> <li>• Municipal parks and recreation</li> <li>• Public places</li> </ul>	<b>Director: PED</b> <b>Director: SPME</b> <b>Director: Community Services</b>	28 Feb 2024	<b>Implemented</b>	The listed indicators were included in the 2023/24 Revised SDBIP. SDBIP reference numbers is BSD_TL 13 to BSD_TL 22.	Verified the revised SDBIP 2023/2024 and confirmed inclusion of the new KPIs with reference numbers BSD_TL 13 to BSD_TL 20.	None
31.	<b>03/27/11/2023</b> <b>Draft Audit Report 2022/2023 (Environmental Audit)</b>	<b>Waste collection and landfill sites findings</b>  That management engage with AGSA and provide responses and supporting evidence to the findings.	<b>Director: Community Services</b>	27 Nov 2023	<b>Implemented</b>	Responses to the finding were provided and AGSA made conclusion that the finding will be reported in the management report	Responses were provided	None
32.	<b>04/27/11/2023</b> <b>Draft Audit Report 2022/2023</b>	<b>WasteWater Treatment Works Findings</b>  That management engage with AGSA and provide responses and supporting information.	<b>Acting Director: Water and Sanitation</b>	27 Nov 2023	<b>Implemented</b>	Responses to the finding were provided and AGSA made conclusion that the finding will be reported	Responses were provided	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment	Audit	Reason for non-implementation of the resolution
						in the management report			
33.	05/27/11/2023  Draft Audit Report 2022/2023	<b>Unapproved water maintenance plan</b>  That the finding be noted and the municipality should ensure that the water maintenance plan is developed and approved.	<b>Acting Director: Water and Sanitation</b>	30 June 2024	<b>Implemented</b>	The water maintenance plan has been developed and was approved by Council on 30 July 2024 for public participation.	In line with Management comments	with	Plan currently undergoing public participation processes
34.	06/27/11/2023  Draft Audit Report 2022/2023(Information System Audit)	<b>Information Security Audit findings</b>  The findings are noted and action plan to address them will be developed.	<b>Acting Manager: ICT</b>	31 Jan 2024	<b>Implemented</b>	Action plan to address ISA findings was developed.	Action plan to address ISA findings was developed.		N/A
35.	07/27/11/2023  Draft Audit Report 2022/2023(Information System Audit)	<b>Performance Assessment of Section 56 and 57 Managers finding</b>  AGSA to relook at the finding.	<b>AGSA</b>	30 Nov 2023	<b>Implemented</b>	The finding was resolved.	The finding was resolved.		None
36.	08/27/11/2023  Draft Audit Report 2022/2023	<b>Material Misstatement identified on the Annual Financial Statement</b>  That further engagements be held between AGSA and ACFO on issues of disagreements, that is:  <ul style="list-style-type: none"> <li>• Investment property</li> <li>• PPE</li> <li>• Intangible Assets</li> <li>• UIF</li> </ul>	<b>Acting CFO and AGSA</b>	30 Nov 2023	<b>Implemented</b>	Engagements were held and areas of disagreement were resolved.	Engagements were held and areas of disagreement were resolved.		None
37.	09/27/11/2023  Draft Audit Report 2022/2023	<b>Discussion of postmortem of the external audit</b>  That APAC hold a working session within 7 days after the audit report	<b>CAE</b>	09 Dec 2023	<b>Implemented</b>	The post-mortem could not be held and has since been overtaken by events as the action plan was developed	All inputs received for consideration in the AG Action Plan have been effected.		None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment	Audit	Reason for non-implementation of the resolution
		is signed, to do the postmortem of the external audit in order to with develop of audit action plan and map a way forward so that deficiencies identified by AGSA can be addressed.				and submitted to APAC for inputs on the 23 <sup>rd</sup> of January 2024. The inputs of APAC, IA and CoGHSTA have however been taken into consideration in the AG Action Plan			
38.	<b>01/23/01/2024</b>  <b>Ethics moment</b>	<b>Completion of declaration forms without stating interests</b>  All employees who complete the declaration forms without indicating financial interests, benefits received, or gifts accepted must be investigated.	<b>CRO</b>	30/11/2024	<b>Implemented</b>	Disclosure forms were completed by employees in line with the communique that was circulated to all employees. The process closed on the 19th of July 2024 and no findings were raised by AGSA.	Refer to management comments		None
39.	<b>02/23/01/2024</b>  <b>Road map to clean audit</b>	<b>APAC member's inputs on IA and AG audit action plan</b>  APAC members be given one business day to go through IA and AG audit action plan , Annual Report and provide additional inputs, if any.	<b>APAC</b>	24/02/2024	<b>Implemented</b>	Inputs were submitted on the Annual Report and implemented by Management.  No further inputs were received on the IA and AG action plans.	The inputs that were received on the Annual Report were implemented by Management		None
40.	<b>03/23/01/2024</b>  <b>Road map to clean audit</b>	<b>Submission of audit action plans to ordinary APAC within prescribed period.</b>  That the first version of IA and AGSA audit action plan be submitted to ordinary APAC within prescribed period e.g. at least seven days before the meeting like all other reports. A final report can be submitted subsequently.	<b>CAE</b>	30/04/2024	<b>Implemented</b>	IA and AGSA audit action submitted on time during the 3 <sup>rd</sup> Q meeting.	IA and AGSA audit action submitted on time.		None



No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment Audit	Reason for non-implementation of the resolution
41.	05/23/01/2024  IA audit action plan	<b>Brief discussion of IA audit action plan with each directorate</b>  IA dedicates to thoroughly go through and discuss IA audit action plan with each directorate. Adjustment be made were necessary.	CAE	28/02/2024	Implemented	IA dedicated a week to discuss findings with each directorate and the action plan was presented at the OPCA meeting held on the 14 February 2024 and APAC held on the 16 February 2024.	Same as management comments	None
42.	07/23/01/2024  Draft Annual Report 2022/23	<b>Submission of outstanding BTO information to SPME</b>  Outstanding Information (Chapters 05 and 06) from BTO to be incorporated into the Draft Annual Report be submitted at SPME to be able to submit to council.	CFO/SPME	24/01/2024	Implemented	The outstanding information from BTO was submitted to SPME.	Confirmed that the 2022/23 Draft Annual Report that was submitted to Council included both Chapter 5 and 6.	None
43.	08/23/01/2024  ICT Governance reports	<b>The appointment of ICT steering chairperson</b>  The advert for ICT steering chairperson must be finalized and progress must be reported in the next ordinary meeting.	Acting manager: ICT	30/06/2024	In progress	Post was advertised twice but was non-responsive.  The municipality advertised for the 3rd time and received applications yet to be assessed.	Same as management comments	Advert non-responsive
44.	09/23/01/2024  Revised IA Annual Plan 2023/24	<b>Further Discussion of revised IA plan</b>  A meeting must be arranged between IA, Acting CFO and SPME to discuss the revised IA annual plan further and also consider allocation of work to outsourced IA service providers.	CAE	28/02/2024	Implemented	Revised IA annual plan was discussed further and the outcome of the discussion was presented at the extra ordinary APAC meeting held on the 16 February 2024.	Same as management comments	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment / Audit	Reason for non-implementation of the resolution
45.	10/23/01/2024  Resolution register	<b>Updating resolution number 03</b>  The status for APAC resolution number 03 must be updated from "in progress" to "implemented".	CAE	28/02/2024	Implemented	Resolution register number 03 was updated accordingly.	Same as management comments	Noted.
46.	01/16/02/2024  Adjusted Budget 2023/2024	<b>Absence of the Director Community services without a representative</b>  That a reason be provided on why there was no representative to respond to the issues which fall under Community Services directorate for APAC meeting held on the 16 February 2024. Furthermore, the following APAC concerns be responded to in writing: <b>a. Overspending on Overtime:</b> What is the way forward to address the overspending on overtime for the remaining 04 months before the end of financial year under community services. <b>b. Rollover applications:</b> What is the plan for rollover projects or funds which are already committed but not been approved by the National treasury under community services.	Director: Community services	10/03/2024	Implemented	A verbal response was provided at the APAC meeting	Refer to management comments	None
47.	02/16/02/2024  Adjusted Budget 2023/2024	<b>Quarterly Progress on the shift System</b>  Progress on the implementation of shift system be included as a standard agenda item in every ordinary APAC meeting.	All directors	30/04/2024	Implemented	APAC agenda amended to include reporting on the implementation of the shift system. Reports were also circulated as part of the APAC pack	APAC agenda amended to include reporting on the implementation of the shift system. Reports were also circulated as part of the APAC pack	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment / Audit	Reason for non-implementation of the resolution
						for the meeting of the 18 <sup>th</sup> of April 2024	for the meeting of the 18 <sup>th</sup> of April 2024	
48.	<b>03/16/02/2024</b>  <b>Adjusted Budget 2023/2024</b>	<b>Detailed report on water meters that are not working.</b>  A detailed report of how many water meters we have, how many are functional, how many are not functional, the root causes and what's the way forward to resolve non-functional must be provided to APAC.	<b>Director: Water and Sanitation-30/04/2024</b>	30/04/2024	<b>Implemented</b>	Report submitted to IA for packaging	Report was packaged as part of the APAC pack for the meeting of the 18th of April 2024	None
49.	<b>04/16/02/2024</b>  <b>AGSA Audit Action plan</b>	<b>The outcome of disagreements findings meeting between AG and management</b>  The outcome of the meeting between management and AGSA to obtain common agreement related to findings which are raised in the 2022/2023 be communicated to APAC	<b>CAE-15/03/2024</b>	15/03/2024	<b>Implemented</b>	Meeting held with the BE and the AG Team and feedback was submitted was submitted to the municipality.	The response from AGSA will be shared with the APAC members in the next meeting.	None
50.	<b>02/15/03/2024</b>	<b>THAT</b> the acting Chief Financial Officer re-look at the following:  <ul style="list-style-type: none"> <li>How the municipality account for land and asset disposals in the Asset management policy.</li> <li>The alignment of the draft budget 2024-2025 with the budget related policies.</li> </ul>	<b>ACFO-31/04/2024</b>	30/04/2024	<b>Implemented</b>	Updated policies and 2024/25 Budget were circulated to APAC members and recommended to Council for approval	Refer to management comments	None
51.	<b>02/15/03/2024</b>	Page 486 (Paragraph 8.18.3) to be updated as there are no vacant positions related to APAC.	<b>Manager IDP-31/04/2024</b>	31/04/2024	<b>Implemented</b>	The inputs from APAC were effected in the IDP that Council will be adopting	The inputs from APAC were effected in the IDP that Council will be adopting	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment / Audit	Reason for non-implementation of the resolution
		Page 486 (paragraph 8.18.4) must include the current developments related to OPCA.						
52.	01/18/04/2024	<b>THAT</b> the MPAC chairperson and/or MPAC support staff be sensitized of the Committee concern in order to avoid escalating the matter to Council.	MM/CAE	30/04/2024	Implemented	An email was set to the MPAC support staff to communicate them to assist by ensuring that the chairperson attends the 4 <sup>th</sup> Q meeting scheduled for the 18 <sup>th</sup> of July 2024.	The concerns of APAC were communicated	None
53.	02/18/04/2024	<b>THAT</b> the same message be shared with the entire Management team and an ethical awareness be conducted for all officials who fall under Water and Sanitation to remind them on how to conduct themselves ethically especially when dealing with the public.	CRO	30/06/2024	Ongoing implementation	Awareness to all staff on ethics was conducted through an internal bulletin that was issued on the 18 <sup>th</sup> of June 2024. The unit has also set up awareness programs which started rolling from June 2024. The first session was held with the cleaners on the 25 <sup>th</sup> of June and will be followed by the W&S officials by 31 July 2024.	Refer to management comments	None
54.	03/18/04/2024	<b>THAT</b> the following be reflected in the fourth quarter ICT report: <ul style="list-style-type: none"> <li>The number of applications which the municipality have.</li> <li>An overall comment of whether the performance of downloading and uploading lines is acceptable or not.</li> </ul>	ICT manager	30/06/2024	Implemented	The report included in the pack reflects on both issues.	Refer to Management comments	None

No.	Reference Number and title of discussed item	Resolution description	Responsible person	Due date	Implementation Status (Implemented/Not Implemented/In Progress)	Management Comments / Progress	Internal Comment / Audit	Reason for non-implementation of the resolution
55.	04/18/04/2024	THAT a quarterly progress report related to the turnaround strategy for Leeto la Polokwane buses be provided and subscriptions statistics also be included in the report.	Acting Director: Transportation services	18/07/2024	Implemented	Report submitted and is packaged under the reports of the Directorate	Refer to Management comments	None
56.	05/18/04/2024	The risk of regular non-availability of electricity stock at stores be assessed by RMU as part of the operational risks	CRO	30/06/2024	Implemented	Done	Refer to Management comments	None
57.	06/18/04/2024	IA and SPME reconcile the numbers for 3 <sup>rd</sup> quarter PMS report before submission to council e.g. Number of targets achieved or not achieved.	SPME and IA	30/04/2024	Implemented	Final numbers were confirmed	Meeting held with PMS and agreed on the numbers	None
58.	07/18/04/2024	That SPME conduct an awareness or session with project managers on how to evaluate the performance of service providers.	Acting Director: SPME	30/06/2024	Implemented	An awareness was conducted during the Extended Management meeting wherein all the employees who are assessing the performance of SPs were present.	Done	None
59.	08/18/04/2024	A meeting be arranged between IA and Management to assess completion dates on some findings which have been raised in the reports.	Management and IA	30/04/2024	Implemented	Dates were revised and also updates made on the IA Trackers	Done	None
60.	09/18/04/2024	IA commence with the process of preparing Strategic governance documents for the next financial year 2024/2025 e.g. IA plan, APAC charter, et.	ACAE	30/06/2024	Implemented	The 2024/25 governance documents were prepared and considered by APAC during the special meeting held on the 18 <sup>th</sup> of June 2024.	Done	None

**APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS 2023/24**

**Public Private Partnership entered 2023/24**

<b>Name and Description of Project</b>	<b>Name of partner(s)</b>	<b>Awarded</b>	<b>Project manager</b>	<b>Value 2023/24</b>
None	None	None	None	None

**APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE**

<b>No</b>	<b>Project Name</b>	<b>Funding Source</b>	<b>Project Number</b>	<b>Brief Scope</b>	<b>Name of Consultant</b>	<b>Rating of Consultant</b>	<b>Comments</b>	<b>Name of Contractor</b>	<b>Rating of Contractor</b>	<b>Comments</b>	<b>Start Date</b>	<b>Completion Date</b>	<b>Challenges/Mitigations</b>
1	Security Management Services: Ga-Rena	Own-Generated Funds	001/PHA SEC	Provision of Security Services at Ga-Rena Phase 1	N/A	N/A	N/A	MEG	85%	Shortcomings experienced but there is room for improvements.	May 2021	April 2024	Control of movements in-and-out of the property remain a challenge-We are constantly interacting with MEG management/security supervisor/s to ensure due improvements
2	Security Management Services: Seshego CRU	Own-Generated Funds	002/PHA SEC	Provision of Security Services at Seshego CRU	N/A	N/A	N/A	MEG	85%	Shortcomings experienced but there is room for improvements	June 2021	May 2024	Control of movements in-and-out of the property remain a challenge-We are constantly interacting with MEG management/security supervisor/s to ensure due improvements
3	Security Management Services:	Own-Generated Funds	001/PHA SEC	Provision of Security	N/A	N/A	N/A	MEG	90%	Shortcomings experienced but there is	February 2022	April 2024	One Instance of vandalism onsite-We are having continuous

No	Project Name	Funding Source	Project Number	Brief Scope	Name of Consultant	Rating of Consultant	Comments	Name of Contractor	Rating of Contractor	Comments	Start Date	Completion Date	Challenges/Mitigations
	Annadale Ext 2	ed Funds		Services at Ga-Rena Phase 1						room for improvements			discussions to ensure such is prevented and dealt with

#### APPENDIX J - MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
1	Paving of AKI streets in RDP section SDA1 (Luthuli)	IUDG	PM31/2021	Project implementations monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings,	Nkgo/Xilumani Project Managers	3	Fully effective, performance meet the standard	Cascade Pivotal projects	1	Not fully effective, performance below standard	14/06/2022	Project not yet completed	Project delayed by court interdict. Contractor has gone back to site but progress is slow. Contractor is put on terms, given 14 days to complete the remaining work. Failure to which termination letter will be recommended.



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				capitalize and commission the asset									
2	Paving of internal streets in Mountain view	IUDG	PM53/2022	Project implementation monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Sebego Maloka and Viljoen Civil Engineers	3	Fully effective, performance meets standard	Brunel Engineering	3	Fully effective, performance meets standard	11/12/2023	15/07/24	Delays due to relocation of existing services. Consultant busy with the variation order (VO)
3	Paving of internal streets at Mankgaile, Ga-Mokoatedi to D4040	IUDG	PM53/2022	Project implementation monitor the implementation of the project cash flow and	BWM Projects	3	Fully effective, performance meets standard	Iceburg Trading 751	4	Performance above expectations	5/12/2023	12/6/24	Project Practically Completed. Contractor busy with snaglist. Scope of works to be extended to provide adequate Stormwater

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	until GaRachidi			programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									management control of the RAL road. Proposed Stormwater drawings submitted to RAL for review and approval.
4	Upgrading of access Roads from Ga Thaba in Molepo, Chuene, Maja cluster	IUDG		Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for	Ralema Consulting Engineers	3	Fully effective, performance meets standard	Not yet appointed	N/A	N/A	Not yet started	Project not yet completed	Project on Planning

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
5	Paving of internal streets in Seshego Zone 1	IUDG	PM53/2022	Project implementation monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Chiefton Facilities Management	2	Not fully effective, performance below standard	Bateline Investments	4	Performance above expectations	11/12/23	7/07/24	Late submission of reports by consultant. Project has reached practical completion. Contractor busy attending to snaglist.
6	Paving of 54th and 58th avenue in Seshego Zone 2	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical	Paedom Investments	3	Fully effective, performance meet the standard	Bateline Investments	3	Fully effective, performance meet the standard	22 April 2024	20 September 2024	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				<p>l layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase,</p>									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				complete asbuilt drawings, capitalize and commission the asset									
7	Paving of 67th,78th,79th and 80th streets in Seshego Zone 3	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project	Paedom Investments	3	Fully effective, performance meet the standard	Chat Connections	2	Not fully effective , performance below standard	22 April 2024	22 October 2024	Slow progress and poor planning by the Contractor. A written notice was issued to the Contractor to improve the rate of progress.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									
8	Paving of 57th street in Seshego Zone 4	IUDG	PM53/2022	Project implementation monitor the implementation	Orbitals projects	2	Not fully effective, performance	Poppe Maphori Supply Services	3	Fully effective, performance	23/11/2023	17/05/24	Late submission of reports by consultant. Project

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				on of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset			nce below standard			meets standard			has reached completion.
9	Paving of internal streets in Seshego Zone 5	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed	VNMM Holdings	2	Not fully effective, performance below standard	Malerate Construction	3	Fully effective , performance meets standard	25 April 2024	11 November 2024	Lack of commitment by the Consultant. VNMM has been conscientize and requested to improve.



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
10	Paving of internal street from the hostel to Oliver Tambo road in Seshego Zone 6	IUDG	PM53/2022	Appoint a contractor monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	Kgoshiga di Consulting	2	Not fully effective, performance below standard	T Tlou Investments  New Contractor Bo-Mamohlala Projects	1   3	Contractor was terminated  Fully effective, performance meets standard	13/05/24	14/11/25	Contractor terminated, a new contractor to complete outstanding works and start with the new scope was allocated  Lack of commitment by the Consultant
11	Upgrading of road from Mohlonong to Kalkspruit	IUDG	TBC -	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering	Zakumi consulting engineers	3	Fully effective, performance meets standard	DN DLUDLU	3	Fully effective, performance meets standard	3/06/24	3/12/24	Project commenced late due to disputes relating to Village border demarcations.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				during construction phase, complete as built drawings, capitalize and commission the asset									
13	Paving of streets in Moletjie Cluster (ward 35) (Paving of internal street in Ga Rankhuwe)	IUDG	PM53/2022	projects, hand over the project to appointed contractor monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	Chiefton facilities	3	Fully effective, performance meets standard	HLTC	4	Performance above expectations	20/11/2023	9/4/2024	Project practically completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
14	Paving of internal streets in Seshego Cluster (Ward 14)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	AES consulting	3	Fully effective, performance meets standard	Farisa Construction	2	Not fully effective, performance below standard	10/11/2023	Project not yet completed	Slow progress due to lack on site. Encountering of existing services and hardrock during excavations for stormwater. Delays in the supply of paving block and stormwater pipes through cessions. Existing services to be relocated. Contractor was advised to fast track the sourcing of blasting service provides and the sourcing of material from other service providers.
15	Paving of streets in SDA1 (Paving of Dwars Street)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the	Klok Engineers	3	Fully effective, performance	Mocheku/Motsewakhumo JV	2	Not fully effective, performance below	13/11/2023	Project not yet completed	The was slow progress on site. The project has reached practical completion stage.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Connecting ext 40 and 78.(Ward 08)			endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset			meets standard			standard			Contractor busy attending to snaglist
16	Paving of streets in Sebayeng /Dikgale Cluster (Paving of internal street at Madiga)Ward 29)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementati	Muteo Consulting engineers	3	Fully effective, performance meets standard	Shabback Business Enterprise	3	Fully effective , performance meets standard	23/11/2023	30/05/24	Project completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				on of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									
17	Paving of streets in Mankweng Cluster (Paving of street in Mothiba tribal office and Paving of internal street from University road to Makanye primary school	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction	Kgosihadi Consulting	3	Fully effective, performance meets standard	Capotex Trading Enterprise	2	Not fully effective, performance below standard	23/11/2023	30/05/24	Slow progress on site. Community disruptions in the ward.  Unavailability of borrow pit. The contractor was approved to source the material commercially

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				phase, complete as built drawings, capitalize and commission the asset									
18	Paving of streets in Molepo, Maja Chuene Cluster (Paving of Kopermyn internal road Ga-Maja)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and	Superior quality engineering	3	Fully effective, performance meets standard	Polokwane Surfacing	3	Not fully effective, performance below standard	22/02/2024	24/06/2024	Project practically completed. Contractor busy with snaglist



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
19	Paving of streets in Aganang Cluster (Paving of internal street at Ceres)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	Acute innovation	3	Fully effective, performance meets standard	Down Low Construction and Projects	3	Fully effective , performance meets standard	17/11/2023	18/05/24	Project practically completed. Contractor busy with snaglist
20	Paving of internal street in	IUDG	TBA	Conduct feasibility study on site,	T2-Tech Engineers	3	Fully effective, performance	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Gadikgale (Moshate)			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed			nce meets standard						

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				design, monitor the implementation of the project cashflow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
21	Upgrading of streets in Nirvana extension	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environment	Morwa Consulting Engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed. Awaiting contractor appointment.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				<p>al study, draught a detailed design and project estimates for the project, prepare estimates and project cashflow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt</p>									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				drawings, capitalize and commission the asset									
22	Construction of Non-Motorised Transport Infrastructure in Polokwane	CRR	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Royal Haskonin gDHV (PTY) LTD	3	Project completed	Blue Dot G Services	3	Project completed	26/10/24	08/12/23	Project completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
24	Paving of Cebio and Lemur streets in Westernburg RDP Section (Phase 2)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Banareng project Managers	3	Fully effective, performance meets standard	Zacks Business Enterprise	2	Not fully effective , performance below standard	06/11/2023	26/06/2024	Slow progress due to contractor's inability to purchase materials`. Contractor put on terms to speed up progress
25	Upgrading of access road in Ga Makgoba	IUDG	TBA	projects, hand over the project to appointed contractor upon the	SMV Civil Engineers	3	Not fully effective, performance below standard	Makeyise Trading and Projects	3	Fully effective , performance meets	7/12/2023	30/8/24	Challenges with the tribal office wanting to commercial the borrow pit. Matter

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset						standard			resolved. Contractor progressing well
26	Upgrading of road from Nobody Traffic circle to Moshate Mothapo	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather	Zakumi Consulting Engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cashflow and programme during construction									



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				phase, complete asbuilt drawings, capitalize and commission the asset									
27	Completion of road from Phomolong to Makgwareng	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates	Zakumi Consulting Engineers	3	Fully effective, performance meets standard	N/A	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
28	Upgrading of road from	IUDG	PM53/2022	projects, hand over the project to appointed	Nkgo Professional	3	Fully effective, performance	Venaqua Holdings	3	Fully effective, perform	23/11/2023	24/10/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Spitzkop to Segwasi			contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	services JV		meets standard			ance meets standard			
29	Upgrading of road from Titibe to Marobala and Makgoba	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering	T2-Tech Engineers	3	Fully effective, performance meets standard	N/A	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				during construction phase, complete asbuilt drawings, capitalize and commission the asset									
30	Tarring of Roads from Tshebela to Moshate	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings,	Mapco Projects and Development	3	Fully effective, performance meets standard	Maloka Machaba Surfacing	4	Performance above expectations	14/02/2024	07/10/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				capitalize and commission the asset									
31	Upgrading of road from Silicon to Matobole	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Mapco Projects and Development	3	Fully effective, performance meets standard	Lilithalethu Trading 41 cc	3	Fully effective , performance meets standard	04/04/2024	25/10/2024	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
32	Upgrading of road from Maja Moshate to Feke	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the	Mapco Projects and Developments	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
33	Installation of Traffic Lights Within City CBD	CRR	Pm68/2021	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementati	Mapoxe consulting Engineers	Project completed	Fully effective, performance meets standard	KingKI electrical	N/a	Project completed	14/06/2023	19/09/2023	Project completed



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				on of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
34	Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	IUDG	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction	Aphane Consulting Engineers	3	Fully effective, performance meets standard	Chat Connection Enterprise	3	Fully effective , performance meets standards	23/11/2023	28/06/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				phase, complete asbuilt drawings, capitalize and commission the asset									
35	Paving of road in ga Thoka from reservoir to Makanye 4034	IUDG	PM53/2022	hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Ralema consulting Engineers	3	Fully effective, performance meets standard	Chisa Multi Projects	1	Not effective at all, Unacceptable performance	23/11/2023	27/07/2024	Slow progress on site by the contractor.  Community protest.  Contractor to fast track implementation on site. Contractor put on terms

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
36	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	IUDG	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Zakumi Consulting engineers	3	Fully effective, performance meets standard	PJMJ	3	Fully effective , performance meets standard	04/06/2024	28/02/2025	None
37	Paving of internal street from	IUDG	TBA	projects, hand over the project to	Nemorango	3	Fully effective, performance	Rural Blue Belt	2	Fully effective ,	29/11/2023	14/06/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Solomondale to D3997 (ward 32)			appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	consulting engineers		nce meets standard			performance meets standard			
38	Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation,	Nkgo Professional services JV	3	Fully effective, performance meets standard	Venaqua Holdings	2	Not fully effective , performance below standard	17/04/24	17/12/24	Slow progress

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
39	Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for	Zakumi Consulting engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Designs completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
40	Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road (ward 38)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Kgosihadi Consulting	3	Fully effective, performance meets standard	Mamayile /RM Mashaba JV	2	Not fully effective , performance below standard	04/12/2023	15/06/24	Cash flow challenges  Contractor to submit a catch-up plan for lost time
41	Paving of Internal Street in Ga Ujane to	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the	TTM & Associates	3	Fully effective, performance	Saatchi Civil Engineering	3	Fully effective , performance meets	30/11/2023	23/06/24	None



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	D3363 (ward 40)			endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset			meets standard			standard			
42	Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather	SMV civil engineers	2	Not fully effective, performance below standard	Sabela Mathaba Construction	3	Not Fully effective , performance meets standard	06/5/2024	12/11/2024	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				phase, complete asbuilt drawings, capitalize and commission the asset									
43	Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates	SMV civil engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Designs completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
44	Upgrading of arterial road D3383 in	IUDG	TBC	Conduct feasibility study on site, prepare	SMV civil engineers	2	Fully effective , performance	DN DLUDLU	3	Fully effective , perform	06/05/2024	1/11/2024	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Setumong via Mahoai to Kgomo school(Ward 43)			scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design,			meets standard			ance meets standard			

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
45	Upgrading of storm water system in municipal area	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study,	Muteo Consulting Engineers	2	Not fully effective, performance below standard	TBA	N/A	N/A	Not yet started	N/A	Delay in finalizing designs  Consultant to fast track finalization of designs

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings,									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				capitalize and commission the asset									
46	Construction of Storm Water in Ga Semenya	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over	Endecon Ubuntu	3	Fully effective , performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Designs completed



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
47	Upgrading of Storm water Channel at Thutu Street at	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical	Muteo Consulting Engineers	2	Not fully effective, performance below standard	TBA	N/A	N/A	Not yet started	N/A	Delay in finalizing designs  Consultant to fast track finalization of designs

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Seshego zone 4			investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
49	Upgrading of Storm Water in Seshego	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project	Superior quality Engineering	2	Not fully effective, performance below standard	TBC	N/A	N/A	Not yet started	Project not yet completed	Delay in finalizing designs  Consultant to fast track finalization of designs

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
50	Upgrading of storm water in Polokwane ext. 76	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the	AES Consulting engineers	3	Fully effective, performance meets standard	Malerate Construction	3	Fully effective, performance meets standard	17/11/2023	12/7/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
51	Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna Park	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather	Morwa Consulting Engineers	2	Not Fully effective, performance below standard	TBA	N/A	N/A	Not yet started	N/A	Delay in finalizing designs  Consultant to fast track finalization of designs

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				phase, complete asbuilt drawings, capitalize and commission the asset									
52	Construction of Storm water Canal Phase 2 in Seshego	NDPG	PM11/2021	Detection of existing services, Demolition of existing structures, Mass earthworks, Construction of pavement layers Construction of NMT facilities, Construction of precast culverts, Construction of Stormwater drainages, Installation of street lighting,	AMCE	2	Not Fully effective, performance below standard	Makeyise Trading and projects	2	Not Fully effective , performance below standard	30-Mar-23	16-Apr-24	Contractor unable to work on Moletjie, Ditlou and 54 <sup>th</sup> streets due to disagreement of streets closure with Seshego taxi association.



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Landscaping , Road signs and markings.									
52	Hospital view additional roads	NDPG	PM96/2021	Relocation of existing services, Box cutting, Roadbed, Subbase, Base, Prime coating, Surfacing, Kerbing Construction of NMT, Installation of street lighting, Landscaping , Road signs and markings.	AMCE	2	Not Fully effective, performance below standard	Eternity star investments	1	Not effective at all, Unacceptable performance	03-Feb-23	18-Feb-24	Slow progress on site. The contractor is on penalties.
53	Construction of Municipal Cluster Offices	NDPG	TBC	TBC	Endecon Ubuntu Limpopo	N/A	N/A	TBC	N/A	N/A	Not yet started	N/A	Planning only

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
54	Construction of Safe Hub at Seshego(Planning)	NDPG	TBC	TBC	Ndidali Quantity surveyors	N/A	N/A	TBC	N/A	N/A	Not yet started	N/A	Planning only
55	Construction of Nelson Mandela, Bo-okelo, Ditlou Crossing	NDPG	PM95/2020	Relocation of existing services, Box cutting, Roadbed, Subbase, Base, Prime coating, Surfacing, Kerbing Construction of NMT, Installation of robots, Road signs and markings.	AMCE	2	Not Fully effective, performance below standard	Zacks Business Enterprise	1	Not effective at all, Unacceptable performance	07-Jun-23	26-Jun-24	Slow progress on site. Cash flow constraints.  Delays on relocation of services.
56	Paving of Internal Street connecting 137 <sup>th</sup> and Helen Joseph roads in	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering	Zakumi Consulting Engineers	3	Fully effective, performance meet the standard	Poppe Maphori	2	Not fully effective , performance below standard	07/05/24	22/01/25	Slow progress by contractor due to key personnel resigning.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Seshego Zone 8			survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme									

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				during construction phase, complete asbuilt drawings, capitalize and commission the asset									
TRANSPORTATION SERVICES													
1	Marketing, Communication and Stakeholder Relations	PTNG	<b>PM19/2021</b>	Provision of marketing and communication and stakeholder relations for Leeto La Polokwane	Synnect (Pty) Ltd	4	Performance above expectations	N/A	N/A	N/A	01-Jul-23	30-Jun-24	None
2	Taxi Industry Specialist Advisory	PTNG	<b>PM19/2021</b>	Provision of Taxi Industry Specialist Advisory for	Siyazi Limpopo Consulting Services	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Leeto La Polokwane									
3	Transport Operations and Systems Planning	PTNG	<b>PM19/2021</b>	Provision of Technical Advisory Services for the planning and operations of Leeto La Polokwane	BM Consulting	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None
4	Independent Facilitation	PTNG	<b>PM19/2021</b>	Facilitation of engagement between the City and the Taxi Industry	Tariq Enterprises and Projects	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None
5	Project Management Services	PTNG	<b>Pm19/2021</b>	Provision of project management service for all workstreams under Leeto La Polokwane	Bright Ideas	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None
6	Business and Financial Planning	PTNG	<b>PM19/2021</b>	Provision of Business and Financial Planning of	Masala Ramabulana Holdings	4	Performance above	N/A	N/A	None	01-Jul-23	30-Jun-24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Leeto La Polokwane			expectations						
7	7.	Intelligent Transport System Modelling	PTNG	<b>PM 19/2021</b>	System Modelling, and Monitoring the maintenance of Automated Fare Collection (AFC) and Public Transport Management Systems of Leeto La Polokwane operations	Zanecebo Consulting	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24
8	8.	Universal Access (UA) Specialist	PTNG	<b>PM19/2021</b>	Monitoring of Universal Access Compliance for Leeto La	Mohlodi Advisory	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					Polokwane								
9	9.	Maintenance of Automated Fare Collection (AFC) and Public Transport Management Systems of Leeto La Polokwane operations	PTNG	<b>PM69/2017</b>	Maintenance of Automated Fare Collection (AFC) and Public Transport Management Systems of Leeto La Polokwane operations	The Naked Scientist (TNS)	4	Performance above expectations	N/A	N/A	None	01-Feb-22	28-Feb-25
10	10.	Maintenance of Leeto la Polokwane buses	PTNG	<b>PM07/2022</b>	Maintenance of Leeto la Polokwane buses	Rikatec	3	Fully effective, performance meets standard	N/A	N/A	None	01-Mar-24	30-Mar-26
11	11	Refurbishment of existing Bus	PTNG	PM14/2020	Conduct feasibility study on site,	SMV Civil	2	Not Fully effective,	Makeyise Trad & Ent	2	Not Fully effective,	23-May-23	Project not yet completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
		Daytime Layover facility buildings			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over	Engineers		performance below standard			performance below standard			



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
12	12	Upgrading of Road Ways on	PTNG	PM14/2020	Conduct feasibility study on site,	SMV Civil	1	Not effective at all,	Makeyise Trad & Ent	1	Not effective at all, unacce	23-May-23	Project not yet completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
		Nelson Mandela			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over	Engineers		unacceptable performance			ptable performance below standard			

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
13	13	Construction of Bus Depot	PTNG	PM14/2020	Conduct feasibility study on site,	SMV Civil	2	Not Fully effective,	Makeyise Trad & Ent	2	Not Fully effective,	TBC	Project under implementation

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
		civil works in Seshego			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over	Engineers		performance below standard			performance below standard			

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
14	14	Construction of roadways and	PTNG	PM15/2020	Conduct feasibility study on site,	Tsholetso Projects	n/a		Mashig e Bldg Constr &	n/a	23/03/2021	n/a	Project completed in Nov 2022

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
		civil works at Genl Joubert Bus Station; Upgrading of Roadways on the Transit Mall -			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over				Conslt (Completed in 2022/2023 FY)				

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
15	15	Construction Bus Depot (upper	PTNG	TBC	Conduct feasibility study on site,	Chiefton Facilities	2	Not Fully effective,	TBC	n/a	n/a	TBC	Project not yet under implementation-under planning

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
		structure s) in the Seshego			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over	Management		performance below standard					



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
16	16	Construction Bus Station (upper	PTNG	PM74/2018	Conduct feasibility study on site,	Tsholetso Projects	2	Not Fully effective,	Matakanye	2	Not Fully effective,	Nov-23	Practical completion issued 26 Jan 2024

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
		structure s) in the CBD			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over			performance below standard	Construction		performance below standard			

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
17	17	Widening and upgrading of	PTNG	PM100/2020	Conduct feasibility study on site,	Tsholetso Projects	2	Not Fully effective,	Tshidaho Construction	2	Not Fully effective,	Nov-21	Project not yet completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
		Sandriver Bridge			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over			performance below standard	Services		performance below standard		

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
18	18	PT facility upgrade (	PTNG	TBC	Conduct feasibility study on site,	MAPC O	3	Fully effective , performance	TBC	N/a	n/a	TBC	Project planning under

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
		Refurbishment of Indian centre taxi rank)			prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over	Development		meets the standard					

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
<b>WATER AND SANITATION</b>													

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
1	Moletjie East RWS phase 15	IUDG	PM38/2022-01	Reservoir connections, gravity mains	Superior Quality Engineers and project managers	3	Fully effective , performance meets standard	Picabiz 367	3	Fully effective , performance meets standard	27-Mar-23	16 May 2024	Completion certificate signed on the 16 May 2024.
2	Sebayeng/ Dikgale RWS Phase 10	IUDG	PM38/2022	Switching one (1) borehole from diesel to electricity; <ul style="list-style-type: none"> <li>Supply and erect two (9) precast pump house complete with locking devices.</li> </ul> . Supply of elevated 2x 20kl PVC Tanks in Ga-Potse, Ntsima and 4 20kl Syferkuil. Supply of 10 communal stand pipes.	Nemorango consulting engineers	3	Fully effective , performance meets standard	Makeyise Trading and Projects	2	Not Fully effective , performance below standard	19-Jan-24	19-Jul-24	Contractor progress was halted by community protects from 21 May 2024 to June 24 <sup>th</sup> 2024 in Syferkuil and Ntsima Village due cash flow challenges. Contractor was paid  Works at Ga-Potse village is still on hold due to community protest not in agreement with signed scope of work.



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Each in Ga-Potse, Nstima and Syferkuil.									
3	Houtriver phase 14	IUDG	PM80/2020	3.5 km reticulation at Montinti Park., 2km reticulation at Ga-Ramakgaphola. Equipping boreholes H04_2972 for Montinti Park and H04_2965 Leokama. Construct pump house for boreholes H04_0049 and H04_3082 to elevated Jojo tanks by Mabokelele and disinfection system boreholes	SMV Consulting	2	Not fully effective, performance below standard	Good example trading	3	Fully effective, performance meets standard	09-Mar-23	20-Feb-24	Project Practically complete

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				connecting them to the existing pipelines. 267kl Elevated steel tank at Mahwibitshwane mountain.									
4	Chuene Maja RWS phase 13	IUDG	PM51/2021/06	Borehole testing and Equipping. Installation Reticulation Pipelines. Installation of Elevated Steel Tank. Electrification of Boreholes.	Victory Development Projects/Satsope Consulting Engineers JV	2	Not fully effective, performance below standard	Mocheku/Motsewakhumo JV	2	Not fully effective, performance below standard	02-May-23	25-April-24	Slow progress by the contractor. Lack of water from the water treatment works for testing. The contractor has reached practical completion and is busy with snag list.
5	Molepo RWS phase 12	IUDG	PM38/2022-02	Ga-Mogano – 2000m of bulk reticulation of diameter 90mm uPVC to and from Steel Tank. • 150KL (Ga-	Maloka Consulting Engineers	1	Not fully effective, performance below standard	Mungona Holdings	1	Not fully effective, performance below standard	19-Jun-23	16-Nov-23	Practically completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
				Mogano) Elevated Steel Tank • Equip borehole H16-0532 • Construct a 2500m long, diameter 75mm uPVC rising main to the Ga-Sebati Reservoir • Siting and equipping of new borehole • Construct a 2000m long, diameter 75mm uPVC rising main for the new borehole • Communal connections (25 off)										
6	Laastehoop RWS phase 12	IUDG	TBC	Planning	Sizeya Consulting	3	fully effective, performance	N/A	N/A	N/A	Not yet started	N/A	Consulting is busy with technical report. Consultation with other stakeholders	

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
							meets the standard						was done. Eskom was also engaged.
7	Mankweng RWS phase 13	IUDG	TBC	TBC	Ralema Consulting Engineers	1	Not fully effective, performance below standard	TBC	N/A	N/A	Not yet started	N/A	The Technical report was presented to the municipality following a previously poorly submitted technical report, letter of dissatisfaction issued to the consultant.
8	Boyne RWS phase 12	IUDG	PM38/2022-03	Equip boreholes, refurbish infrastructure and reticulation extensions	Infra Projects Africa	3	Fully effective , performance meets standard	Paxana Solutions	3	Fully effective , performance meets standard	06-Apr-23	18-July-24	Delays by supplier of Steel Tank, Package plant and Electrification. More delays due to Road contractors removing section of pipeline and still have to reinstate it. Contractor granted extension.
9	Aganang RWS 2: Mahoai Phase 2	IUDG	PM38/2022-04	Drill and equip boreholes, reticulation, elevated steel tank	Morwa Consulting engineers	3	Fully effective , performance meets standard	Down Low Construction	3	Fully effective , performance meets	02-May-23	31-Mar-24	On Practical Completion. Final Completion delayed because of Cable Theft on new Borehole

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				and yard connections						standard			
10	Bakone RWS: Ga-Phoffu Water Supply Phase 1	WSIG	PM38/2022	Refurbish existing Steel Tank. New reticulation	SMI Consulting group	3	Fully effective , performance meets standard	Maloka Machaba Surfacing	3	Fully effective , performance meets standard	06-Mar-24	06-Aug-24	Project Ongoing.
11	Bakone RWS: Ntlolane Water Supply Phase 1	WSIG	PM38/2022	Equip New Borehole, New rising and gravity main and Elevated Steel Tank	SMI Consulting group	3	Fully effective , performance meets standard	Capotex Trading Enterprise	3	Fully effective , performance meets standard	27-Feb-24	27-Jul-24	Project Ongoing
12	Mashashane Water Works Phase 2	IUDG	PM38/2022-14	Drill and equip boreholes, reticulation, elevated steel tank and yard connections	Victory Development projects/Setsopa Projects JV	3	Fully effective , performance meets standard	TLM Engineering Services	3	Fully effective , performance meets standard	05-May-23	15-Apr-24	Complete

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
13	Mothapo RWS phase 16	IUDG	P51/2021/02	2 new boreholes- Electrification, backup generator & float-switch- Steel Pipe rising main Ward 24 - Kotishing - Upgrade a segment of the existing rising main to Steel pipe Makotopong - Upgrade a segment of the existing rising main to Steel pipe Magwareng - Upgrade a segment of the existing rising main to Steel pipe Moshate - Provision of a new booster pump for	Hlayeleni	3	Fully effective, performance meets standard	Beten	2	Not fully effective , performance does not meets standard	13-Jun-23	30-June-24	Contractor is behind with the works on site. Extension of time was granted till 30 June 2024, contractor is on penalties from 1 July 2024.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				existing borehole. Ward 6 - Thakgalang - Two Boreholes - Electrification, backup generator, float-switch Ramathope - Two Boreholes - Electrification, backup generator, float-switch - Equipping existing non-operating Reservoir									
14	Chuene Maja RWS phase 11	IUDG	PM65/2019	Construction of 3ML reservoir, upgrading of WTW and installation of valve chambers.	Kgosihadi Consulting Engineers	2	Not fully effective, performance below standard	TN Molefe Construction/Trade Note Trading JV	2	Not fully effective, performance below standard	23-Feb-20	23-Jan-24	complete

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
15	Segwasi RWS Phase 6	IUDG	PM38/2023	Refurbishment of boreholes, construction of pipelines in Lossmycherry, Segwasi and Maigopeng, 2X50kl buffer tanks, 2850kl elevated tanks.	BWM Projects	2	Not Fully effective, performance below standard	Magand projects	2	Not Fully effective , performance below standard	11-Dec2023	12-July - 2024	Slow progress by the contractor. The contractor requested to catch-up on the remaining time to complete works.
16	Badimong RWS Phase 12	WSIG	PM47/2021	<ul style="list-style-type: none"> <li>• Construction of 3.3km rising main ranging from 90mm to 160mm</li> <li>• Installation of 12 Air Valves</li> <li>• Installation of 3 control valves</li> <li>• Upgrading of existing motors and pumps from Two (2)</li> </ul>	AES Consulting Engineers	3	Fully effective, performance meets standard	Mmakoto Business Enterprise	3	Fully effective , performance meets standard	24-Mar-23	29-Feb-24	Project Complete



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				boreholes (H16-2298 and H16-2356 in Kgwara Village) <ul style="list-style-type: none"> <li>• Installation of T-junction and valves on existing supply pipeline</li> <li>• Electrification of Seven (7) existing boreholes</li> </ul>									
17	Mashamait e	WSIG	PM22/2021	<ul style="list-style-type: none"> <li>• Supply and installation of a 300 Kl elevated steel tank inclusive of foundations at 10m height.</li> <li>• Supply and installation of 520-yard connections.</li> <li>• Pipe line ancillaries</li> </ul>	Superior Quality Engineers and project managers	2	Not fully effective, performance below standard, delays on Submission of Documentations required.	BoMamohlala Projects	N/A	N/A	10-Jun-22	29-Jun-23	Complete

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				(valves and meters). Electrification of borehole									
18	Makgodu	WSIG	PM14/2022	Equip boreholes, distribution lines, reticulation and yard connections	Superior Quality Engineers and project managers	2	Not fully effective, performance below standard, delays on Submission of Documentations required.	Mmakoto Business Enterprise	N/A	N/A	20-Mar-23	23-Jul-23	Project complete
19	Aganang RWS 3: Mars Water Supply Phase 1	WSIG	PM13/2022	<ul style="list-style-type: none"> <li>• Equipping, electrification, fencing and commissioning of one (1) borehole (H04-0384)</li> <li>• Switching one (1) borehole from diesel to electricity; equipping, fencing,</li> <li>• Supply and erect two (2)</li> </ul>	Superior Quality Engineers and project managers	3	Fully effective, performance meets standard	Madipadi construction	2	Not fully effective, performance below standard	23-Mar-23	01-Mar-24	Project complete

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
				<pre> precast pump house complete with locking devices. • Refurbishme nt of existing 108 kl elevated steel tank. • Refurbishme nt of existing 200 kl concrete reservoir. • Supply and installation of water lines as follows: - 110mm Ø uPVC class 12 distribution main 261 m. - 90 mm Ø uPVC class 12 distribution main for 571 m. </pre>										

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				<ul style="list-style-type: none"> <li>- 75 mm Ø uPVC class 12 rising main for 2 388 m.</li> <li>- 63 mm Ø uPVC class 16 rising main for 378 m</li> <li>- 75 mm Ø uPVC class 12 reticulation pipelines for 1 365 m</li> <li>• Supply and installation of 82 – metered yard connections</li> </ul>									
20	Aganang RWS 3: Mars Water Supply Phase 2	WSIG	PM38/2022	<ul style="list-style-type: none"> <li>• Equipping, electrification , fencing and commissioning of 1 BH</li> <li>• New 108 kl elevated steel tank.</li> <li>• Supply and installation of</li> </ul>	Superior Quality Engineers and project managers	3	Fully effective, performance meets standard	Blue Dot G Services	3	Fully effective , performance meets standard	07-Mar-24	07-Aug-24	Project Ongoing

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				450 yard connections									
21	Olifantspoor RWS Phase 2 Multi year	IUDG	PM63/2021	Upgrading and installation of 29.600 m water reticulation networks and 71 RDP standard communal street taps. Upgrading of four Borehole with suitable Pumps.	Monte Consulting	2	Not Fully effective, performance below standard.	Bo-Mamohlala Projects.	2	Not Fully effective , performance below standard	06 March 2023	19 March 2024	Contractor is waiting material to equip the boreholes because another borehole is blocked with stones. Physical progress is 87% and all reticulation network and communal stand pipe installed, Outstanding activities: Testing the system and install of borehole pumps. Notice of penalties is issued to the contractor.
22	Thakgalang Rural Sanitation Phase 1	WSIG	PM38/2022-04	Construction of 1074 VIP units	Phamela Engineering services	3	Fully effective, performance meets standard	Mocheku/Motsewakhumo	3	Fully effective , performance meets standard	23-Sep-23	12-02-2024	The project is complete, awaiting Engineer submitted happy letter and busy finalize beneficiary list

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
23	Sebayeng-Dikgale Rural Sanitation	IUDG	PM38/2002-12	Construction of 720 VIP units	Mapco Projects and Development	2	Not fully effective, performance below standard	Saatchi	1	Not fully effective, performance below standard	12 May 2023	31 Oct 2023	Overall physical progress is 77 % and contractor managed to complete 525 of 720 VIP units. Non-payment of labourers and Sub contractor causes the stoppage of the project.
24	Sebayeng-Dikgale Rural Sanitation	IUDG	PM38/2002-16	Construction of 727 VIP units	Mapco Projects and Development	2	Not fully effective, performance below standard	October Integrated	1	Not fully effective, performance below standard	12 May 2023	31 Oct 2023	Overall physical progress is 96 % and contractor managed to complete 727 of 727 VIP units. Non-payment of labourers and Sub contractor causes the stoppage of the project. The Contractor is not on site due to non-payment of October Integrated staff and local labourers and Security

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25	Sebayeng-Dikgale Rural Sanitation	IUDG	PM38/2002-15	Construction of 744 VIP units	Mapco Projects and Development	3	Fully effective, performance meets standard	Todani	3	Fully effective, performance meets standard	12 May 2023	16 Nov 2023	Project Complete
26	Moletjie North RWS	WSIG	PM38/2022-05	The project entails upgrading and installation of water reticulation network for settlements under Moletji North RWS villages.	Zakumi Consulting	3	Fully effective, performance meets standard	Bateline investments	3	Fully effective, performance meets standard	14-Oct-23	7-12-2023	The project is complete, awaiting upgrading of transformers by Eskom. Eskom appointed Contractor and waiting the contractor to procure Concrete poles.
27	Moletjie South RWS	WSIG	TBC	Not yet confirmed	Morula Consulting engineers	2	Not fully effective, performance below standard	TBC	N/A	N/A	Not yet started	N/A	Consultant submitted technical report but has been returned for corrections.
28	Bloodriver Wellfield and Seshego Groundwat	RBIG	PM01/2019	Equip 7 boreholes (Average Potential = 1.3ML/d;	Zakumi Consulting Engineers	2	Not fully effective, performance	Koephu Business Enterprise/Bate	3	Fully effective, performance	18-Nov-19	30 June 2024	Project functional, all boreholes equipped and supplying water to

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	er Development and Pumping Mains. (Polokwane Groundwater Development)			Peak Potential = 3.0ML/d) in Seshego WF and 8 (Average Potential = 1.7ML/d, Peak Potential = 3.4ML/d) in the Bloodriver WF ; Construction of pumping mains from Seshego, Bloodriver and Pilgrimshoop WF to the new Seshego Water treatment. Construction of pumping mains from the Seshego WTW to the Seshego and			nce below standard	line Investments JV		meets standard			Seshego WTW. VO not approved yet



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Perskebult Reservoirs.									
29	Construction of Borehole Infrastructure and Pumping Mains for the Sandriver South Wellfield and Polokwane Boreholes (Polokwane Groundwater Development)	RBIG	PM132/2018	Polokwane boreholes: Equip 18 boreholes in Sterkloop WF and Sandriver South WF (6,3ML/d average supply; 12,6ML/d peak supply); Pump to new Sandriver North Water treatment works and distribute to existing Doornkraal reservoir.	Makone consulting engineers	2	Not fully effective, performance below standard	Ba-Phalaborwa 72 Construction	2	Not fully effective, performance below standard	25-Jun-19	30 June 2023	Contractor agreed to seed the outstanding and remedial work to a sub-contractor. In process of appointing sub-contractor
30	Construction of Borehole Infrastructure and Pumping Mains for	RBIG	PM133/2018	Polokwane boreholes: Equip 32 boreholes in Sandriver North WF and	Makone Consulting Engineers	2	Not fully effective, performance below standard	DIGES	1	Not fully effective, performance below	25-Jun-19	4 March 2021	Contractor terminated. Consultant preparing BOQ for outstanding and remedial work. In process of

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	the Sandriver North Wellfield and Polokwane Boreholes (Polokwane Groundwater Development)			Polokwane boreholes (6,4ML/d average supply; 12,8ML/d peak supply); Pump to new Sandrive4 North Water treatment works and distribute to existing Krugersburg and Potgieter reservoirs.						standard			appointing sub-contractor
31	Seshego Water Treatment Works (Polokwane Groundwater Development)	RBIG	PM02/2019	Construction of Civil works including equipping of electrical and mechanical components and associated works for a Water Treatment Works of capacity 10.4 ML. Civil	Zakumi Consulting Engineers	3	Fully effective, performance meets standard	Udumo Trading 26 (Pty) Ltd t/a Ultimate Dynamics / Lebo Tebo Trading and Projects JV	3	Fully effective, performance meets standard	18-Aug-19	30 May 2024	Practical completion reached, plant commissioned.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Structures include administration building, chlorine dosing building, chemical dosing building, flocculation clarifiers, clear water contact tank, up flow filter, treated water reservoir, surface water flocculation clarifier and sludge ponds.									
32	Construction of the Sandriver North Water treatment works (Polokwane Groundwat	RBIG	PM131/2018	Construction of Civil works including equipping of electrical and mechanical components and associated	Mapco Projects and Developments	3	Fully effective, performance meets standard	Zerbacraft/Lance MS/Mamondo/ Koephu Business Enterprise consortium	2	Not fully effective , performance below standard	15-Aug-19	9 Sept 2024	Variation order has been approved progress will improve.  Contractor busy with the installation of

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	er Development)			works for a Water Treatment Works of capacity 18 ML. Civil Structures include administration building, chlorine dosing building, chemical dosing building, up flow filter, treated water reservoir.									mechanical and electrical equipment
33	Refurbishment of Seshego WWTW	RBIG	PM38/2022-09	Refurbishment of Mashinini Pump Station, Seshego Plant head of works, PSTs, Biofilters, SSTs, Sludge Pump station	Morwa Consulting	2	Not fully effective, performance below standard	October integrated	2	Not fully effective, performance below standard	30-Mar-24	30-Jun-24	Cash-flow issues.  Re-design of the final flow meter weir for accurate flow measurements  Unforeseen structural failure on

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				and Chlorine housing.									the base of the bio-filters centre columns.  Contractor submitted a request for EOT-3 for completion date 31 July 2024.
<b>SPORTS AND RECREATION</b>													
1	EXT 44/78 Sports and Recreation Facility	IUDG	PM91/2021	Construction of football field, ablution facilities	SI Architects /Muteo Consulting	3	fully effective, performance meets standard	Chisa Multi projects	3	Fully effective , performance meets standard	21-Sep-23	05-Jul-24	Contractor appointed, busy with grandstands
2	Construction of Sebayeng/ Dikgale Sports Complex	IUDG	TBC	Construction of fence and bore hole	Nemorango consulting	3	Fully effective, performance meets standard	Malerate construction	N/A	N/A	Not yet started	N/A	Project not yet started due to funds

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
3	Upgrading of Mankweng Stadium-roadworks	IUDG	TBC	Construction of main building	Makone consulting engineers	2	Not Fully effective, performance below standard	Blue train holdings	N/A	N/A	Not yet started	N/A	Remaining work has been costed. Request for additional funds to be drafted
4	Construction of Softball Stadium	IUDG	PM148/2019	Construction of new softball stadium	Makone Consulting Engineers	2	Not fully effective, performance below standards	Brunel Engineering	N/A	N/A	Not yet started	N/A	New contractor was appointed at amount of R184 688 107.05 for 18 months. Contractor is delaying to provide 10% construction guarantee and other contractual documents. A letter has been sent to Contractor through the consultant as there a in breach of the appointment. Pre-site handover was held. Application for Construction Permit was submitted and it was reported by Labour that no site handover and establishment is to be done without Permit issued.

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5	RDP SPORTS COMPLEX MOLEPO	IUDG	PM56/2020	Completion of athletic track and stormwater drainage	2MC Consulting Engineers	3	Fully effective , performance meets standard	Zerbacraft	3	Fully effective , performance meets standard	Not yet started	N/A	Previous consultant terminated, incomplete work has been costed. Work to be done in phases
<b>TRAFFIC AND LICENSING</b>													
1	Upgrading of City Traffic and Licensing	CRR		Construction & upgrading of Ladanna Traffic Facility	Nemuran go Consulting Engineer	5	Target achieved. Project completed.	Tow Africa	5	Target achieved in line with SDBIP throughout the quarters .	01 July 2023	07 May 2024	Target achieved and no challenges encountered.
2	Mankweng Container	CRR		Procurement and installation of mobile container	N/A	N/A	Target achieved. Project completed.	Africabin Building Systems	5	Target achieved in line with SDBIP throughout the quarters	01 July 2023	18 May 2024	Target achieved with no challenges encountered.
<b>ENVIRONMENTAL MANAGEMENT</b>													

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
1	Construction of ablution facilities at Tom Naude Park	CRR	pm51/2021	Construction of ablution facilities at Tom Naude	Ndidali Quantity Survey	4	The consultant performance is outstanding	Rural Blue Belt	2	The contractor's performance is not satisfactory. The project was supposed to have taken four months now we are on the 9 month. The structure is finished, to install the fittings	04 10 2023	4 January 2024	The contractor's performance was not satisfactory. The project was duration was for four months and now we are on the ninth month



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
2	Upgrading of game reserve facilities	CRR	pm51/2021	Thatching of chalets, tiling, painting and replacement of wall units	N/A			Chats connection	5	The contractor is full effective and performance is outstanding	22 March 2024	31 May 2024	The contractor's performance is outstanding
3	Development of parks in rural areas	IUDG	pm51/2021	Design of park at Rural areas. Submission of approved drawings	Ndidali Quantity Surveyors	5	The consultant performance is very effective	N/A	N/A		21-04-2024	26 June 2026	
4	Greening Programme	IUDG	PM 122/2020	Supply and delivery of trees				Ele Investment and Mintech solutions	5	The service providers performance is outstanding	17 MAY 2023	17 May 2026	
5	Greening Distensing	IUDG	PM 122	Supply and delivery of trees				Elle Investment Solutions	5	The service providers performance is	17 May 2023	17 May 2026	

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
										outstanding			
<b>WASTE MANAGEMENT</b>													
1	6&9m3 skip containers	CRR	PM25/2022	Purchase of skip containers	N/A	N/A	N/A	Nkavelo Nsuku Trading & project	4	Good	27 February 2024	30 June 2026	None
2	Ga-Maja transfer station	IUDG	PM51/2021`	Construction of Maja transfer station	Infra Project Africa	3	Good	N/A	N/A	N/A	17 November 2023	30 June 2026	None
3	Ga-Chuene transfer station	IUDG	PM51/2021	Construction of Chuene transfer station	Infra Project Africa	3	Good	N/A	N/A	N/A	17 November 2023	30 June 2026	None
<b>DISASTER MANAGEMENT</b>													
1	Ancillary equipment	CRR	PM06/2023	Supply and deliver of equipment	N/A	N/A	Very good	Matsie a bo Sukuri	3	Good	N/A	N/A	Delivered
2	Hydraulic equipment	CRR	PM66/2021	Supply and delivery of equipment	N/A	N/A	Good	Mmabo Investment Group	3	Good			Delivered
3	Rescue ropes/High angle	CRR	PM07/2023	Supply and delivery of ropes	N/A	N/A	Very good	Foxcon Trading Enterprise	3	Good			Delivered

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4	Re-blading	CRR	PM117/2020	Reblading of fire breaks	N/A	N/A	Very good	Kiletji Business Enterprise	4	Good	April 2024	June 2024	Service rendered
<b>LOCAL ECONOMIC DEVELOPMENT</b>													
1	Polokwane Extension 26 Light Industrial Park	CRR	PM51/2021/64	Drawing of Site Development Plans and Architectural Working Drawings of four(4) Erven at Pietersburg Extension 26 Township(Light to Medium Industrial Park)	Acute Innovation (Pty)Ltd	3	Fully effective and performance meet standard	No Contractor	N/A	N/A	N/A	N/A	None
<b>CITY PLANNING</b>													
1	Township Establishment of an Eco Estate at Polokwane	CRR	PM51/2021	Inception Report, preliminary, detailed scoping report (including submission	Acute innovation SA	3	Fully effective, performance meets standard	N/A	N/A	Fully effective , performance meets	07-July-23	31-July-26	No challenges

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Game Reserve			<p>of detailed topographical map), land rights enquiries and technical investigation reports.</p> <p>Final scoping report (including submission of detailed topographical map, lodging of township establishment application with the local Authority</p> <p>Approval of a township establishment application, submission of survey records to the surveyor General</p>						standard			

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				Approval of General Plan by SG  Registration of township and Proclamation									
2	Bakone Malapa Engineering Services	CRR	PM51/2021	Provision of consulting services for planning, implementation, monitoring of Bakone Malapa Engineering Services. This includes investigations of (topographical surveys, geotechnics etc	Superior Quality Engineering Technologies	3	Fully effective, performance meets standard	N/A	n/a	Fully effective, performance meets standard	08/03/2023	08/03/2026	Awaiting final designs
3	Township Establishment Ptn151-160 Sterkloop		PM64/2019	Inception Report, preliminary, detailed scoping report	Bushland Developers	3	Fully effective, performance	N/A	N/A	Fully effective, performance meets	01 April 2021	30 June 2024	No challenges

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				<p>(including submission of detailed topographical map), land rights enquiries and technical investigation reports.</p> <p>Final scoping report (including submission of detailed topographical map, lodging of township establishment application with the local Authority</p> <p>Approval of a township establishment application, submission of survey records to</p>			meets standard			standard			

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				the surveyor General  Approval of General Plan by SG  Registration of township and Proclamation									
<b>ENERGY SERVICES</b>													
1	Illumination of public areas (Solar High mast lights) Rural areas	CRR	PM04/2022	supply and installation of 5 x solar highmast lights in polokwane municipality jurisdiction	In-houe (Lebone)	N/A	N/A	Capotex	3	Fully effective , performance meets standard	07-Feb-23	02-Dec-23	Project completed.
2	Illumination of public areas (Solar High mast lights) Rural areas Phase 2	CRR			In-houe (Lebone)	N/A	N/A	Capotex					The Project served at BSC and available budget insufficient to proceed with implementation. Funds to be made available during budget adjustment.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
3	Upgrade SCADA and RTU	CRR	N/A	Upgrade SCADA and RTU combined with retrofitting of protection relay project.	Volt Consulting	3	Fully effective , performance meets standard	N/A	N/A	N/A	Not yet started	N/A	Detailed design report was presented on the 24th of October 2023 and the consultant to address the comments. The project to be implemented in multiple phases due to budget constraints. Bid served at BSC, but there is outstanding requirements from consultant.
4	Replacement of Oil RMU's and Substation Switchgear	CRR	PM50/2022	Replacement of Oil Breakers with vacuum breakers in Gamma substation	In house (Lebone)	N/A	N/A	Brunel Engineering	3	Fully effective , performance meets standard	05-May-23	05-May-24	Possible activities will run while waiting delivery of material
5	Install New Bakone to IOTA 66kv double	CRR	N/A	Design and project management of new double circuit 66kV	AES	3	Fully effective , performance	N/A	N/A	N/A	Not yet started	N/A	Servitudes negotiations finalized. Line route changed which affects the design. The Consultant is



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	circuit Goat line			overhead line from Bakone switching station to IOTA 66/11kV substation, to complete the 66kV ring network around City.			meets standard						busy re-designing some sections. Re-design was completed. Waiting for Network Properties regarding the servitude on the eastern side of East Ridge X4 development.
6	Build 66kv /Bakone Substation	CRR	E186/2016	Build 66kV Bakone switching station.	Optimal	4	Performance above expectations	Enzani Technologies	3	Fully effective , performance meets standard	16-Jun-16	30-Jun-22	Budget restraints and late payments to contractor, prevent the completion of switching station on time. Practical completion achieved. Eskom outage prevent the energizing of switching station. Communicating with Eskom to expedite the outage date to less than 35 days. First Eskom outage was from 18/03/2024 to 22/03/2024 for

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													MUNIC 1. MUNIC 1 energized and taking load. Second outage is from 02/04/2024 to 05/04/2024 for MUNIC 2. Contractor busy on site.
7	Plant and Equipment	CRR	PM12/2022	Supply and deliver of a three phase universal relay test set and commissioning tool.	In-House (Gerrie / Wimpie)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Bid closed 10 October 2022, but the service provider was not appointed. Waiting for evaluation of bid document.
8	Increase license area assets	CRR	N/A	Increase license area assets	Pienaar and Erwee	4	Performance above expectations	N/A	N/A	N/A	N/A	N/A	Phasing report submitted to Polokwane Municipality and to Eskom. Letter submitted to Eskom, acquiring the networks cost in the phasing scoping report. Eskom rejected proposal.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
9	Install bulk supply power to New Pietersburg switching station	CRR/IUDG	PM01/2022	supply and install 4,5km 300mm cable from gamma sub to new Pietersburg 11kV switching station. Build 550m of overhead line and a 25kva transformer and a clearv fence	In-house (Lebone)	N/A	N/A	Brunel Engineering	3	Fully effective , performance above standards	2023/05/05	2024/01/05	Installation of two cables in progress instead of three due to budget constrains, Contractor waiting delivery of last materials. Contractor on site and was appointed late, so far the contractor is effective. VO approved and contractor is finalizing snag list
10	New Pietersburg 11Kv Switching station phase 2	INEP	PM01/2022	supply and install 4,5km 300mm cable from gamma sub to new Pietersburg 11kV switching station. Build 550m of overhead line and a 25kva transformer	In-House (Lebone)	N/A	N/A	Brunel Engineering	3	Fully effective , performance above standards	06-May-23	06-Nov-23	installation of two cables in progress instead of three due to budget constrains, Contractor waiting delivery of last materials. Contractor on site and was appointed late, so far the contractor is effective. VO approved and

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				and a clearvu fence									contractor is finalizing snag list
11	Construction of new 66kv lines as per master plan	CRR	N/A	Determined the 66kV overhead line route servitudes for future 66/11kV substations.	Pienaar and Erwee	4	Performance above expectations	N/A	N/A	N/A	N/A	N/A	Work performed up to budget allocation, but consultant terminated due to expiry of appointment cycle. New consultant appointed, Sizeya Consulting. Concept drawing meeting scheduled for Friday, 05/04/2024.
12	Design and Construction Matlala Substation	CRR	N/A	Design and Construction Matlala Substation	(Terminated Korone Engineers ) New consultant allocated.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Korone Engineers terminated and new consultant allocated. Sizeya Consulting was appointed. Concept drawing meeting scheduled for Friday, 05/04/2024.
13	Refurbishing of overhead networks in Ivydale	INEP	PM54/2020	Refurbishment of overhead networks	In-house (Johanna)	N/A	N/A	Capotex and Tlopo	3	Fully effective, performance meet the	01-Jun-23	30-Jun-24	Financial spending is 100% but physical work on site is 80%.Funds allocated for this project are finished.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
										standard			
14	Energy efficient demand site management	EEDSM	PM54/2022	LED street lights retrofits and libraries lights retrofits	In house (Wimpie)	N/A	N/A	Capotex	3	Fully effective, performance meet the standard	24-Oct-2023	30-Jun-2024	Contractor has completed 98% of the retrofits. Contractor was given 14 days to close the project from 03/07/2024.
15	Electrification of Urban Households in Zone 8 Extension (Polokwane Ext.133 Phase 1) street lights	INEP	PM28/2021	supply and install electrical network in PLK Ext133 Ph1 468 connections	(Terminated - khephe engineering)_ In-house	N/A	N/A	Thotogelo MP Construction	1	Not fully effective, performance below standards	31-Oct-22	30-Jun-23	Contractor is on penalties and to fast track the delivery of material. No material and contractor beyond schedule. contractor terminated and new contractor appointed to complete the works
16	Boikhutsong Phase 3	INEP	PM50/2021	supply and install electrical network in Boikhutsong Ph3, 1089 connections	(Terminated - Mogalemole)	N/A	N/A	Capotex	2	Not Fully effective and performance not met	31-Oct-22	30-Jun-23	Practical completion certificate is ready and busy with the snag list. 960 households connected. Close out report submitted

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
										standard			
17	Electrification of Moremadi Park Phase 2 (283 connections)	INEP	PM01/2022	Supply and installation of electrical networks in Moremadi Park Phase 2 - 283 households	Infra Projects Africa	3	Fully effective and performance meet standard	Zebarcraft	3	Fully effective and performance below standard	31-Oct-23	31-July-2024	Project at 80%. Building of infrastructure completed except house connections and commissioning of network by Eskom.
18	Electrification of Polokwane EXT 40 (146 connections)	INEP	PM01/2022	Supply and installation of electrical networks in Polokwane EXT 40 and street lighting - 146 households	In-house (Lebone)	N/A	N/A	Brunel Engineering	2	Not fully effective, performance below standards	06-Dec-23	30-Apr-24	Contractor is busy with PCS file and house connection. 98% work done
19	Electrification of PIK Ext133 Ph2 (400 connections)	INEP	PM01/2022	Supply and installation of electrical networks in Polokwane EXT 133 Phase 2 - 400 households	Kgosihadi Consulting	3	Fully effective and performance meet standard	Brunel Engineering	3	Fully effective and performance meet standard	06-Dec-23	30-Jun-24	Contractor is busy with PCS file and house connections. 85% work done

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
20	Illumination of public areas (Solar street lights) urban areas along Zebediela road.			supply and installation of solar streetlights along Zebediela road.	In-House - Johanna	N/A	N/A	Tlopo and Capotex	3	Fully effective and performance meet standard	01/12/2023	31/06/2024	Project completed at 100%

**APPENDIX K – DISCLOSURES OF FINANCIAL INTERESTS**

#	Member	(1) Shares and other securities in any company/ Pensions					(2) Directorships/ Employment and remunerated/ Membership of any close corporation (CC)				(3) Interest in property			
		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
1	Baloyi Khazamola Joseph	Mpambukani Agri-Consultants	100%	Unspecified	Unspecified	2013/0848 30/07	Mpambukani Agricultural Consultants (Pty) Ltd	Unspecified	Unspecified	Confidential Part	Tribal land Permission to Occupy	4 Hectares	Ga-Mabotja Mokgao Park	Unspecified - Emerging subsistence farmer
2	Bologo Ntshavheni	-	-	-	-	-	Unspecified	Unspecified	Retail – perfumes	Confidential Part	-	-	-	-
		-	-	-	-	-	Unspecified	Unspecified	Rental in Ivypark	Confidential Part	-	-	-	-
3	Botha Androe Hendrina	-	-	-	-	-	Mari Venter Eiendomme (Pty) Ltd	Unspecified	Unspecified	Confidential Part	Erf 1347	Unspecified	Bendor	R1,850,000
		-	-	-	-	-	Lebella Meetse (Pty) Ltd	Unspecified	Unspecified	Confidential Part	-	-	-	-
		-	-	-	-	-	Heart Drive Heart Cycle NPO	Unspecified	Unspecified	Confidential Part	-	-	-	-
		-	-	-	-	-	Marlen	Family business	None	Unspecified	-	-	-	-



#	Member	(1) Shares and other securities in any company/ Pensions					(2) Directorships/ Employment and remunerated/ Membership of any close corporation (CC)				(3) Interest in property			
		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
4	Clarke Susanna Elizabeth	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
5	Choshi Phuti Piet	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
6	Dikgale Sewela Juliah	Municipal Councillors Pension Fund	-	Confidential Part	-	-	-	-	-	-	-	-	-	-
7	Hamise Lebeko Harry	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
8	Hiine Phologo Jerriel	Municipal Councillors Pension Fund	-	Confidential Part	-	-	-	-	-	-	-	-	-	-
9	Hopane Madimetja Edward	-	-	-	-	-	-	-	-	-	House	Unspecified	Seshego Zone 8	R200, 000
10	Joubert Francois Jacques	-	-	-	-	-	Unspecified	Accountant	None	Confidential Part	House	Not specified	Not specified	R300,000
11	Kalla Sabeer Saleh Mohammed Gani	-	-	-	-	-	ANC Peter Mokaba Region	Admin	None	Confidential Part	House	1000 sqm	Westernburg	R4,500,000

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12	Kganyago Madimetja Stephen	-	-	-	-	-	Bakgethiwa Bathusa	General Services	CC	100%	-	-	-	-	
		-	-	-	-	-	FODOS	General Services	CC	100%	-	-	-	-	
13	Kgare Makwena Betty	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
14	Komape Maphuti Paulina	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
15	Leballo Mafiwa Mathews	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
16	Legodi Nkgoba Patrick	-	-	-	-	-	Disego Construction	Construction	CC	Unspecified	-	-	-	-	
17	Lekota Matjeana Frengelinah	Municipal Councillors Pension Fund	-	Confidential Part	-	-	-	-	-	-	-	-	-	-	
18	Lephalala Ledile Francina	Municipal Councillors Pension Fund	-	Confidential Part	-	-	-	-	-	-	-	-	-	-	

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		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value	
19	Letsoalo Makosha Frans	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
20	Lubbe Henry	-	-	-	-	-	-	-	-	-	Residential	129 sqm	Polokwane	R1,2m	
21	Lourens Fredrerik Roelof	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
22	Mabasa Mahlareng William	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
23	Mabote Makhasane Gloria	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
24	Madikoto Lancelot Willie	Government Employees Pension Fund (GEPF)	-	R30 066 .71	-	-	-	-	-	-	-	-	-	-	
25	Mahladisa Molatelo Justice	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
26	Mahlatji Mashego Solomon	Municipal Councillors Pension Fund	-	Confidential Part	-	-	Maruatona	Driver	None	Confidential Part	-	-	-	-	

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		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
27	Mahopo Myron	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
28	Mailula Khutso Elias	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
29	Makhafola Malesela Daniel	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
30	Malope Seemole Jeneffer	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
31	Mamadi Eliot	Mamadi Building & Paving Projects	100%	Unspecified	Unspecified	2013/2220 94/07	-	-	-	-	-	-	-	-
		Municipal Councillors Pension Fund	-	N/a	-	-	-	-	-	-	-	-	-	-
32	Marx Hermanus Franco	Easy Equities	Unspecified	Confidential part	Unspecified	Unspecified	Franco Marx Attorneys Inc	Unspecified	Prv	Confidential Part	-	-	-	-
		-	-	-	-	-	Tourno Pty Ltd	Unspecified	Prv	Confidential Part	-	-	-	-

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		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
		-	-	-	-	-	Commanche s Pty Ltd	Unspecified	Prv	Confidential Part	-	-	-	-
		-	-	-	-	-	Capricorn CB Systems	Unspecified	Prv	Confidential Part	-	-	-	-
							KWS Pty Ltd	Unspecified	Prv	Confidential Part				
		-	-	-	-	-	Franco Marx Attorneys Inc	Attorney	N/a	Confidential Part	-	-	-	-
33	Mashabela Segwana Angelina	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
34	Mathoho Khathutshelo	-	-	-	-	-	Ward 14 Business Forum	Unspecified	NPO	Nil	-	-	-	-
35	Mathye Makgabo Veronica	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
36	Malatji Kgashane Michael	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
37	Malema Ramotsa Ronny	Mazimbu Inc	Confidential Part	Confidential Part	Accommodation - Trustee	IT000044/2012	Forlyscene (Pty) Ltd	Supply	CC	Nil	-	-	-	-

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		Mundledzi	Confidential Part	Confidential Part	Property Investment - Trustee	IT000045/2012	-	-	-	-	-	-	-	-
		Ratanang	Confidential Part	Confidential Part	Property Investment - Trustee	IT109/08(T)	-	-	-	-	-	-	-	-
38	Mamabolo Tebele Jerry	-	-	-	-	-	Sekgopa Kanna Ka Marumo (Pty) Ltd	Unspecified	Unspecified	Unspecified	-	-	-	-
39	Mashalane Zanele Fikelephi	-	-	-	-	-	Mphosetsha beng Trading	Trading	CC	0%	-	-	-	-
40	Mashangoa ne Puleng Roseline	Parliament Pension	-	Confidential Part	-	-	-	-	-	-	-	-	-	-
		GEPF	-	Confidential Part	-	-	-	-	-	-	-	-	-	-
41	Moakamedi Motlogeleng Alfred	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-

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		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
42	Modiba Kobela Welhemina	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
43	Modiba Maimela Daniel	-	-	-	-	-	Cepecials CC	Unspecified	CC	Unspecified	-	-	-	-
44	Modiba Mmatlou Thabitha	-	-	-	-	-	-	-	-	-	House	1586 sqm	68 Johnston Street	R1, 650,000
45	Mmokobodi Mpho Victor	Municipal Councillors Pension Fund	-	Unspecified	-	-	-	-	-	-	-	-	-	-
46	Matonzi Madimetja Thomas	Municipal Councillors Pension Fund	-	Unspecified	-	-	-	-	-	-	-	-	-	-
47	Mogoboya Moliki Linah	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
48	Mohlapamaswi Erick	-	-	-	-	-	DHET	Assistant Director	None	Confidential Part	House	155 sqm	Florapark Polokwane	R1,8m
		-	-	-	-	-	Senelo Trading CC	General Trading	CC	100%	-	-	-	-

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49	Mokgohloa Tlou Stephen	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
50	Mokome Mmajoala Sarah	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
51	Molepo Fokise James	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
52	Molepo Mmathoto Magdeline	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
53	Molope Nape Lydia	Malope Monare	50%	unspecified	Unspecified	2024/450092/07	-	-	-	-	-	-	-	-
		<b>Other financial interest:</b> I have companies which I registered but never worked or had any income generated from them. I also registered the foundation (NPR) which never received financial assistance.					-	-	-	-	-	-	-	-
54	Moloto Mmakwena Hazel	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
55	Moloto Thabang Desmond	Lesedi And DTD Trading	-	Clothing	Unspecified	2012/040665/07	-	-	-	-	-	-	-	-
56	Morifi Tumisho Johannes	Motsilo Investment	Sole owner	Unspecified	Unspecified	9385491425	-	-	-	-	-	-	-	-



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57	Morotoba Mmakoma Florah	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
58	Moshoeu Pontsho Esther	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
59	Mothapo Legasane Mavis	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
60	Mothiba Tumudi Piet	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
61	Mpe Mosema John	<b>Other financial Interest:</b>  Livestock: cattle and goats	-	-	-	-	Thutse	Unspecified	Unspecified	Unspecified	Stand	Unspecified	Mamatsha Village	Rural PTO	
		-	-	-	-	-	Makoro Foundation	Unspecified	Non-profit organisation	Nil	Residential	Unspecified	Penina Park Polokwane	R1,2m	
		-	-	-	-	-	-	-	-	-	Residential	Unspecified	Marula Heights Polokwane	R2,8m	

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		-	-	-	-	-	-	-	-	-	Stand	Unspecified	Waterberg Estate Polokwane	R1m	
62	Mphelo Mokgatshelwa Dorris	-	-	-	-	-	Miss dee travel	2020/782742/07	CC	Unspecified	-	-	-	-	
		-	-	-	-	-	Tokologo Media	2017/185755/07	CC	Unspecified	-	-	-	-	
		-	-	-	-	-	Missdeeorganic	2017/466811/07	CC	Unspecified	-	-	-	-	
		-	-	-	-	-	Cury Corner Boutique	2020/647385/07	CC	Unspecified	-	-	-	-	
63	Murwa Thosetse Phaka Kgalane	<b>Other financial Interest:</b>	-	-	-	-	-	-	-	-	House	Unspecified	Flora Park	R1,200,000	
		Income from family business in property and logistics trucking .	-	-	-	-	-	-	-	-	Accommodation rooms	Rental	-	Confidential Part	

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64	Muthabine Mmaphuti Rufus	Bobstake Business Enterprise	N/a	Confidential Part	Unspecified	Unspecified	-	-	-	-	-	-	-	-
65	Nchabeleng Mahlatse Magdeline	MCPF	-	Confidential Part	-	-	Bophelo Bole	Unspecified	CC	Nil	-	-	-	-
		MC Pension Fund	-	Confidential Part	-	-	Primary Cooperative	Unspecified	CC	Nil	-	-	-	-
		-	-	-	-	-	Hlatsimatsi Enterprise (Pty) Ltd	Unspecified	CC	Nil	-	-	-	-
		-	-	-	-	-	SMSN Building Construction (Pty) Ltd	Unspecified	CC	Nil	-	-	-	-
		-	-	-	-	Social grant	Confidential Part	None	None	-	-	-	-	
66	Ngoasheng Lehologonolo Herman	GAL Level	Unspecified	Trading and projects	Confidential part	-	-	-	-	-	-	-	-	-
67	Nkwe Tshepo	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-

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		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
68	Ntlemo Tsakani Jacob	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
69	Pemma Joosuf	-	-	-	-	-	Unspecified	Courier	None	Confidential part	-	-	-	-
70	Pheedi Mmatlala Rekiel	-	-	-	-	-	Social grant	Confidential Part	None	None	-	-	-	-
71	Phoshoko Mapula Salome	SABC	-	Confidential part	-	-	Malekate Trading	N/a	CC	Confidential Part	Plot in Dalmada	2.1 Hectares	Dalmada Polokwane	R2,1m
		-	-	-	-	-	-	-	-	-	Portion in Leeukuil	8.6 hectares	Leeukuil	R600 000
72	Phukubye Dorothy	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
73	Pretorius Mariette	-	-	-	-	-	Unspecified	Real estate agent	None	Commission	House	1600 sqm	Bendor Polokwane	R2,500,000
74	Rakoma Thapelo Mashianoke David	<b>Other financial Interest:</b> Buying shares of private companies.	-	-	-	-	Rakomodi Trading	2013/156187/07	General Construction	Confidential Part	Plot/Farm	Unspecified	Mbombela	R2,3m
		-	-	-	-	-	Unspecified	Catering and events	None	Unstable/ based on clients	-	-	-	-

#	Member	(1) Shares and other securities in any company/ Pensions					(2) Directorships/ Employment and remunerated/ Membership of any close corporation (CC)				(3) Interest in property			
		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
		Construction projects. Private accommodation. Property development												
75	Ralefatane Mariri Johannes	Municipal Councillors Pension Fund	-	Unspecified	-	-	RALPN Group	Unspecified	General Dealer	Nil.	House	Unspecified	Bendor	R2,4m
	-	-	-	-	-	-	-	-	-	-	House	Unspecified	Ivypark	R1,2m
	-	-	-	-	-	-	-	-	-	-	House	Unspecified	Makotopong	R700,000
76	Ramakgolo Mapula Meriam	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
77	Ramaphakela Maketu Freddy	-	-	-	-	-	-	-	-	-	Residential	800 sqm	Bendor	R2,9m
78	Ramaselele Mahlomola Samuel	Development and Pure Projects (Pty) Ltd	1000	Unspecified	Unspecified	2014/073756/07	-	-	-	-	Residential	900 sqm	Ga-Mothiba	R20,000

#	Member	(1) Shares and other securities in any company/ Pensions					(2) Directorships/ Employment and remunerated/ Membership of any close corporation (CC)					(3) Interest in property			
		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value	
79	Ramoraswi Matome Jeremia	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-	
80	Rapetswa Phetola Adolph	Bakwenapelle trading	100	100	Member's interest	2009/1060536/23	-	-	-	-	-	-	-	-	
81	Ratsoma Michael	Unspecified	Unspecified	Unspecified	Unspecified	Mantlebuka Projects	Mantlebuka Projects	Unspecified	CC	Nil	-	-	-	-	
82	Retters Johannes Hendrik	-	-	-	-	-	Numberplate & Key	Manufacturing	None	Confidential Part	House	Unspecified	Bendor	Confidential Part.	
		-	-	-	-	-	Pro Cables	Manufacturing	None	Confidential Part	-	-	-	-	
83	Sathekge Madumetja William	Municipal Councillors Pension Fund	-	N/a	-	-	-	-	-	-	-	-	-	-	
		Other financial interest: Debutcher Liquor Restaurant	-	-	-	-	-	-	-	-	-	-	-	-	

#	Member	(1) Shares and other securities in any company/ Pensions					(2) Directorships/ Employment and remunerated/ Membership of any close corporation (CC)				(3) Interest in property			
		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
84	Sebati Segopotjo Aletta	Old Mutual	-	Confidential Part.	-	-	ANC	Admin	None	Confidential Part.	-	-	-	-
		Municipal Employees Pension Fund	-	Confidential Part.	-	-	-	-	-	-	-	-	-	-
85	Segoale Lesetja Martin	Nothing to declare	-	-	-	-	Nothing to declare	-	-	-	Nothing to declare	-	-	-
86	Shadung Molepo Andries	Other financial Interest: Small and domestic livestock farmer	-	-	-	-	-	-	-	-	-	-	-	-
87	Shadung Ramasela Vivian	Other financial Interest: Local poultry farmer	-	-	-	-	-	-	-	-	-	-	-	-

#	Member	(1) Shares and other securities in any company/ Pensions					(2) Directorships/ Employment and remunerated/ Membership of any close corporation (CC)				(3) Interest in property			
		Name of Company/ Entity	Number of shares/Extent of financial interests	Nominal value	Nature of shares	Company/Entity Registration Number	Name of corporate entity	Corporate entity Registration Number	Type and nature of businesses	Amount of remuneration/ Income	Description of land or property	Extent of land or property	Area	Value
88	Shibambu Kganedi Bella	Municipal Councillors Pension Fund	-	Unspecified	-	-	-	-	-	-	-	-	-	-
89	Sivhabu Nomonde Alberthinia	-	-	-	-	-	Waygate Bricks	2020/4650 01/07	CC	Nil	House	Unspecified	1308 Zone 5 Seshego	R1,200,000



DISCLOSURE OF FINANCIAL INTERESTS BY POLOKWANE SENIOR MUNICIPAL EMPLOYEES				
No	NAME	PAY NUMBER	POSITION	DESCRIPTION OF FINANCIAL INTERESTS
1.	Nonyane Vusi Thabo	79020	Chief Financial Officer	<p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Birds technologies and consultation – CC – Dormant – R0.00</li> </ul> <p><b>Land and properties</b></p> <ul style="list-style-type: none"> <li>ERF 45B Ndou Street – Southen-gateway Extension 3 – 300Sq – Polokwane – R590 000.00</li> </ul>
2.	Molatelo Mashego	79420	Director Planning and Economic Development	<p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Hoog Villa Polokwane – 2023/811778/07 – Airbnb-nominal – R1 000.00 annually</li> </ul> <p><b>Land and property</b></p> <ul style="list-style-type: none"> <li>Erf 773 Pietersburg – 80m<sup>2</sup> – Polokwane – R700 000.00</li> <li>Ptn 1 Erf 916 Pietersburg – 728m<sup>2</sup> – Polokwane – R1 100 000.00</li> </ul>
3.	Mthombeni Vheli	35090	Acting Director SPME	<p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Magvee Tyre services – K2018492571- Private Company – none Doormat</li> </ul> <p><b>Consultancies and retainerships</b></p> <ul style="list-style-type: none"> <li>Mokgopong-Modimolle – Audit Committee Member – Preparation allowance and S&amp;T R2 500.00</li> </ul> <p><b>Land and property</b></p> <ul style="list-style-type: none"> <li>House – 1013 – Flora Park – R1 150 000.00</li> <li>House – 420 – Lulekane – R500 000.00</li> </ul>
4.	Edwardo Hutamo	79430	Director Community Services	<p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Paledi Carwash – Cleaning Services- R30 000</li> <li>Monwane Business Trading- Trade in all aspects- R0.00</li> </ul> <p><b>Remunerated work outside the Municipality</b></p> <ul style="list-style-type: none"> <li>Council Built Environment – Board Member – R0.00</li> <li>SACLAP – Board Member – R0.00</li> </ul> <p><b>Land and Property</b></p> <p>House- 450SQ- Mankweng – R1 200 000.</p>
5.	David Ramakgwakgwa		Director Roads and transport	<p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Amigos Palace – Private (Pty)Ltd -R50 000.00</li> </ul> <p><b>Land and property</b></p> <ul style="list-style-type: none"> <li>Morongwe – 1 hectar – Mothiba – R200 000.00</li> </ul>
6.	Thuso Nemugumoni	79210	Municipal Manager	<p><b>Directorships and partnerships</b></p>

DISCLOSURE OF FINANCIAL INTERESTS BY POLOKWANE SENIOR MUNICIPAL EMPLOYEES				
No	NAME	PAY NUMBER	POSITION	DESCRIPTION OF FINANCIAL INTERESTS
				<ul style="list-style-type: none"> <li>Learn'n pay – Early Childhood Development– R3 500.00</li> </ul> <p><b>Land and property</b></p> <ul style="list-style-type: none"> <li>House – 4 Beds – Polokwane – R3 000 000.00</li> <li>Townhouse – 2 Beds – Vaal – R400 000.00</li> <li>Townhouse – 5 Beds – Polokwane – R1 700 000.00</li> </ul>
7.	Donald Matsi	80080	Director corporate Shared Services	<p><b>Shares and other financial interest</b></p> <ul style="list-style-type: none"> <li>50% - R1 – Director – Thamaradon Petroleum</li> </ul> <p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Thamaradon Petroleum - Private Company – R0.00</li> </ul> <p><b>Land and property</b></p> <ul style="list-style-type: none"> <li>Property – 375m<sup>2</sup> – Ivy Park Polokwane – R1 300 000.00</li> </ul>
8.	Meshack Thaba	40540	Director water and sanitation	<p><b>Shares and other financial interests</b></p> <ul style="list-style-type: none"> <li>0.4011 – R366.00 – Anglo Platinum</li> <li>0.8644 – R1 356.79 - Discovery</li> </ul> <p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>OCHRE Consulting</li> <li>Thaba Family Trust</li> </ul> <p><b>Land and property</b></p> <ul style="list-style-type: none"> <li>Residential Stand – 600m<sup>2</sup> – Vuwani – R10 000.00</li> <li>Residential Stand – 1000m<sup>2</sup>- Tshakhuma – R25 000.00</li> </ul>
9.	Rirhandzu Iris Shipalana - Mabunda	79850	Director Roads and Storm water	<p><b>Shares and other financial interests</b></p> <ul style="list-style-type: none"> <li>150 – R120 000.00 – Phuthuma nathi</li> </ul> <p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Rimp Consulting – 2022/742562/07 – Consulting</li> </ul> <p><b>Land and property</b></p> <ul style="list-style-type: none"> <li>House- Giyane – 100m<sup>2</sup> – R 1 500 000.00</li> <li>Apartment - Gauteng – 6.5m<sup>2</sup> – R500 000.00</li> </ul>
10.	Maphuti Cambridge Mothata		Acting Director Energy Services	<p><b>Directorships and partnerships</b></p> <ul style="list-style-type: none"> <li>Mincor Consulting – Consulting – Dormant</li> <li>YTPOS Engineering – Consulting – Dormant</li> </ul>

**APPENDIX L: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**

Attached 2023/24 Unaudited Financial Statements

**APPENDIX M (I): REVENUE COLLECTION PERFORMANCE BY VOTE**

Attached 2023/24 audited Financial Statements

**APPENDIX M (II): REVENUE COLLECTION PERFORMANCE BY SOURCE**

Attached 2023/24 audited Financial Statements

**APPENDIX N: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG**

Name of Grants	Opening balance	Transfers and Returned	Quarterly receipts R					Quarterly Expenditure for the Year R					Gazette amount Municipal year	Gazette amount Municipal year vs Actual receipts	Opening Balance	Gazette amount Municipal year	Total spend	Paid Back Offset against Equitable Share	Unspent
			Sep	Dec	March	June	Total	Sep	Dec	March	June	Total							
Equitable Share	-	-	549 425 000	439 540 153	329 656 000	-	318 621 153	549 425 000	439 540 153	329 656 000	-	1 318 621 153	1 318 621 153	1 318 621 153	-	1 318 621 153	1 318 621 153	-	-
Finance Management Grant	-	-	2 400 000	-	-	-	2 400 000	245 170	455 949	958 341	740 540	2 400 000	2 400 000	2 400 000	-	2 400 000	2 400 000	-	0
Integrated Urban Development Grant	-	-	174 380 000	87 189 000	174 380 000	-	435 949 000	78 429 479	126 825 065	83 739 635	146 954 821	435 949 000	435 949 000	435 949 000	-	435 949 000	435 949 000	-	-
Regional Bulk Infrastructure Grant	-	-	55 000 000	51 539 000	132 000 000	-	238 539 000	97 561 967	39 136 608	44 211 461	57 628 965	238 539 000	238 539 000	238 539 000	-	238 539 000	238 539 000	-	-
Public Transport Network Grant	12 270 925	12 270 925	72 752 000	-	91 226 000	-	163 978 000	11 483 480	48 319 379	26 225 355	73 597 437	159 625 651	163 978 000	163 978 000	12 270 925	163 978 000	159 625 651	12 270 925	4 352 349
Extended Publics Works Programme	- 0	-	2 949 000	5 307 000	2 879 000	-	11 135 000	2 988 821	2 967 986	1 063 332	4 114 861	11 135 000	11 135 000	11 135 000	- 0	11 135 000	11 135 000	-	0
Integrated National Electrification Programme	467 687	-	4 500 000	-	12 661 000	-	17 161 000	-	1 818 629	9 121 698	6 682 327	17 622 654	17 628 687	17 161 000	467 687	17 161 000	17 622 654	-	6 033

Name of Grants	Opening balance	Transfers and Returned	Quarterly receipts R					Quarterly Expenditure for the Year R					Gazette amount Municipal year	Gazette amount Municipal year vs Actual receipts	Opening Balance	Gazette amount Municipal year	Total spend	Paid Back Offset against Equitable Share	Unspent
			Sep	Dec	March	June	Total	Sep	Dec	March	June	Total							
Energy Efficiency and Demand Side Management	-	-	1 000 000	2 000 000	1 000 000	-	4 000 000	-	485 195		3 509 017	3 994 212	4 000 000	4 000 000	-	4 000 000	3 994 212	-	5 788
Neighbourhood Development Partnership Grant	4 974 228	4 974 228	9 597 000	6 571 000	6 000 000	-	22 168 000	3 071 693	14 946 460	2 370 386	1 779 460	22 167 999	22 168 000	22 168 000	4 974 228	22 168 000	22 167 999	4 974 228	1
Infrastructure Skills Development Grant	-	-	3 000 000	-	2 869 000	-	5 869 000	-	1 767 828	183 571	1 399 991	3 351 390	5 450 000	5 869 000	-	5 869 000	3 351 390	-	2 517 610
Water Services Infrastructure Grant	1	-	30 000 000	20 000 000	17 700 000	-	67 700 000	16 100 623	21 498 820	8 238 538	21 862 019	67 700 000	67 700 000	67 700 000	1	67 700 000	67 700 000	-	1
Capricorn District Municipality	17 589	-	-	-	-	-	-	-	-	-	-	-	-	-	17 589	-	-	-	17 589
Dept Local Government and Housing	2 949 709	-	-	-	-	-	-	-	-	-	-	-	-	-	2 949 709	-	-	-	2 949 709
Municipal Disaster Relief Grant	4 500 084	-	-	-	14 280 000	-	14 280 000	214 708	2 666 009	1 619 282	8 029 192	12 529 191	14 280 000	14 280 000	4 500 084	14 280 000	12 529 191	-	6 250 893
Local Government Housing Accreditation	591 743	-	-	-	32 463	11 391	43 853	-	-	-	-	-	-	43 853	591 743	43 853	-	-	635 596
	25 771 965	17 245 153	905 003 000	612 146 153	784 683 463	11 391	301 844 006	759 520 940	700 428 080	507 387 599	326 298 631	293 635 251	301 848 687	301 844 006	25 771 965	301 844 006	293 635 251	17 245 153	16 735 568

**APPENDIX O: CAPITAL EXPENDITURE – NEW & UPGRADE/ RENEWAL PROGRAMMES: INCLUDING IUDG**

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
<b>Directorate Water and Sanitation – Water Services</b>													
CWP_01	Director Water and Sanitation	Water and Sanitation	Olifantspoort RWS (Mmotong wa Perekisi)	10, 16, 36, 37	Percent	10 266 272	10 266 272	100%	100%	90%	The contractor failed to achieve completion, due to challenges of water supply and failed to timeously procure material for Borehole equipment.	The contractor has been placed on terms and has submitted a recovery plan to complete by 13 Sept 2024.	Progress report
CWP_02	Director Water and Sanitation	Water and Sanitation	Mothapo RWS	6, 31, 24	Percent	28 180 722	28 148 302	100%	Testing and commission, and completion	88%	The contractor failed to achieve the target of 100% due to theft and vandalism of Boreholes at Thakgalang.	The contractor has been placed on terms and has submitted a recovery plan to complete by 18 Oct 2024.	Progress report. Revised SDBIP.
CWP_03	Director Water and Sanitation	Water and Sanitation	Moletjie East RWS	15, 36, 38	Percent	7 523 213	7 477 195	100%	Testing and commission, and completion	100%	None	None	Completion Certificate
CWP_04	Director Water and Sanitation	Water and Sanitation	Moletjie North RWS	35	Percent	11 327 960	11 327 960	100%	Completion of two Package plants and Equipping borehole. Electrification of package plant and Borehole. Completion of the Project	100%	None	None	Progress report

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_05	Director Water and Sanitation	Water and Sanitation	Sebayeng/Dikgale RWS	29, 30, 31, 32, 33	Percent	5 180 281	5 180 280	90%	Bulk pipe line 900kl storage tank. Bulk pipe line 2800kl storage tank. Bulk pipe line.	64%	The Contractor failed to achieve the target due to stoppages and community unrests.	The contractor has submitted an extension of time claim for the stoppages and a catch-up plan.	Progress report. Extension of time claim submitted by the contractor.
CWP_06	Director Water and Sanitation	Water and Sanitation	Moletjie South RWS	9	Percent	0	0	50%	Construction of rising main pipeline and installation of valves	0%	The Engineers failed to complete technical reports and business plans (Designs) for approval by DWS.	The technical reports have been resubmitted and the project has been re-prioritised for implementation in 2024/25 Financial Year.	2024_25 SDBIP
CWP_07	Director Water and Sanitation	Water and Sanitation	Houtriver RWS	09; 16, 18, 35	Percent	7 438 704	7 438 704	100%	Equipping of borehole, pipe laying and completion	100%	None	None.	Draft practical completion certificate
CWP_08	Director Water and Sanitation	Water and Sanitation	Chuene Maja RWS	1, 2	Percent	13 899 229	13 899 230	100%	Installation of yard connections and Completion	100%	None	None.	Progress Report
CWP_09	Director Water and Sanitation	Water and Sanitation	Molepo RWS	3, 4	Percent	11 363 476	11 363 420	100%	Testing and Commission	100 %	None	None.	Revised SDBIP. Progress report.

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_10	Director Water and Sanitation	Water and Sanitation	Laastehoop RWS	5	Percent	1 424 087	1 424 086	50%	Construction of Bulk line and reticulation	1%	The Engineer failed to complete and submit technical report for approval by DWS.	A Letter of dissatisfaction was issued to the consultant and a revised technical report was submitted to the Department for approval.	Progress report. Attendance register. Minutes of the meeting held with stakeholders.
CWP_11	Director Water and Sanitation	Water and Sanitation	Mankweng RWS	27, 25, 31, 7, 26	Percent	1 160 558	1 160 557	50%	Construction of reticulation	25%	The Consultant delayed in submitting a technical report for approval by DWS.	A Letter of dissatisfaction was issued to the consultant and a revised technical report was submitted to the Department for approval.	Dissatisfaction and commitment. Status of Technical report submission.
CWP_12	Director Water and Sanitation	Water and Sanitation	Boyne RWS	4	Percent	10 909 338	10 909 336	100%	Pipe Testing, Storage Refurbishment, Electrification of Boreholes.	97%	The Contractor failed to achieve practical completion due to challenges of pipeline that were encroaching road reserve.	Contractor submitted a catch-up plan for testing and commissions of the pipelines	Progress reports
CWP_13	Director Water and Sanitation	Water and Sanitation	Badimong RWS	28,30, 31, 34	Percent	1 479 396	1 479 396	100%	Electrification of Boreholes and completion	100%	None	None.	Certificate of completion



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_14	Director Water and Sanitation	Water and Sanitation	Construction of ventilated pit latrines	09, 10, 15, 16, 18, 35, 36, 38, 09, 10, 15, 16, 18, 35, 36, 38	Percent	60 000 000		100%	Completing of Construction of VIP Toilets	23.90%	The Contractors failed to achieve the targets due to poor performance, excessive hard rock, and social issues.	The appointed Contractors are on terms and have submitted catch up plans to complete the remaining structures by end of Oct 2024.	Progress reports
CWP_15	Director Water and Sanitation	Water and Sanitation	Regional Wastewater Treatment Plant	11, 12, 13, 14, 17, 37, 8,19, 20, 21, 22, 23, 39	Percent	RBIG 148 129 433 CRR 62 730 995	RBIG 148 129 433 CRR 62 730 508	42%	Steel fixing and Casting of the pipe bridge and Civil works on the main regional wastewater plant. Testing of the pipes on the outfall sewer east of the pipe bridge.	37%	* Phase 1A Outfall sewer contractor is experiencing cashflow challenge and was also delayed delivery of material on site.  * Phase 2B - RWWTW Contractor experienced delays in procurement of materials (reinforcement, formwork, and scaffolding).	* Phase 1A Outfall sewer contractor has submitted a catch-up plan and extension of time to complete the Project by 21 Jan 2025.  * Phase 2B - RWWTW Contractor has secure material from other suppliers (reinforcement, formwork, and scaffolding).	Progress report and Site Instruction
CWP_16	Director Water and Sanitation	Water and Sanitation	Polokwane Bulk Water Supply	City , Seshego, Mankweng	Percent	6 826 005	9 894 333	100%	Completion of WTW	94.27%	The Contractors had cashflow constraints that led to poor performance.	Contractors have submitted catchup plans.	Progress report. Practical Completion

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
												<p>Sandriver north WTW is under termination, Sandriver south is ceding works to a sub contractor.</p> <p>New contractors are being appointed to complete the outstanding works.</p>	
CWP_18	Director Water and Sanitation	Water and Sanitation	Aganang RWS (2)	43 & 45	Percent	29 209 723	29 209 438	100%	Pipe Testing, Electrification of boreholes	96%	<p>Mahoi phase 2 is Practically completed -99%, Kalkspruit water supply - 92% - was delayed due to a change of scope from solar panels for partial operation of one distribution pump, to a backup generator capable of powering the whole Houtriver treatment plant.</p>	The appointed Contractors have submitted catch up plans to complete all the testing and commissioning end of Oct 2024	Progress reports
CWP_19	Director Water and Sanitation	Water and Sanitation	Aganang RWS (3) (Ramalapa, Mashamaite, Makgodu, Mars)	40, 41, 42, 43, 44 & 45	Percent	16 772 370	15 264 358	100%	Pipe Testing	93.75%	Delays were as a result of Mars phase 2 which experienced community unrest and protest on the appointment of the CLO	Councillors and Public Participation Office have been engaged to assist in resolving the challenges.	Progress reports. Completion Certificates

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_20	Director Water and Sanitation	Water and Sanitation	Bakone RWS (2)	40, 41, 42, 43, 44 & 45	Percent	9 443 975	9 444 015	100%	Testing and commission, and completion	60%	Delays in delivery of materials.	Material has arrived on site, and contractors have submitted catch-up plans to complete works by the end of September and October.	Progress reports
CWP_21	Director Water and Sanitation	Water and Sanitation	Thakgalang Rural Sanitation Phase 1	37	Percent	7 459 407		100%	Completing of Construction of VIP Toilets	100%	None.	None.	Practical completion certificate
CWP_22	Director Water and Sanitation	Water and Sanitation	Segwasi RWS	Ward 42	Percent	12 386 458	12 389 465	95%	Equipping of boreholes and erection of steel tank and completion	93%	Delay in installation of transformers. Contractor also experienced cashflow challenges.	Contractor to use a generator to conduct testing and commissioning while awaiting ESKOM to energise.	Segwasi Progress report
CWP_23	Director Water and Sanitation	Water and Sanitation	Mashashane Water Works	40	Percent	13 431 658	13 721 517	100%	Pipe Testing, Electrification of boreholes	100%	None.	None.	Practical completion certificate
CWP_25	Director Water and Sanitation	Water and Sanitation	Installation of Prepaid Water Meters at Mankweng ward 25 and 26	ward 25 and 26	Percent	0	0	30%	Installation of Prepaid meters and pairing.	7%	Delays in procurement of meters on a risk-based approach.	Project has been re-prioritised to be implemented in the 2024/25 FY.	Progress Report
Directorate Energy Services - Energy Services													

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_26	Director Energy Services	Energy Services: Planning and Development	Installation of Solar Street lights along Zebediela road	Ward 08, 19	Percent	1 739 130	0	100%	Installation of 60 solar lights along Zebediela road	100%	None.	None	Picture of installed street lights, completion certificate, closeout report, hand over certificate
CWP_27	Director Energy Services	Energy Services: Planning and Development	Installation of street lights along Nelson Mandela Drive from Ext 74 Robots to Seshego Circle Mall (Removed by BRT Project)	Ward 08, 11, 14, 12,17,37, 23	Percent	0	0	100%	Detailed designs completed up to tender stage	100%	None.	None	BOQ, Designs
CWP_29	Director Energy Services	Energy Services: Planning and Development	Installation of High Mast lights) (Rural Areas)	3, 6, 27, 31, and 34	Percent	4 032 648	3 013 980	100%	Delivering and installation of equipment. Installed 5 solar high mast lights in wards 3. 6, 27, 31, 35	10%	Bid advertised and closed February 2024	Regular monitoring of consultant, project to be done in phases in the outer years due to its cost.	Emails, budget for 2024/25Advert
CWP_30	Director Energy Services	Energy Services: Planning and Development	Design the upgrade SCADA and RTU	City	Percent	2 103 293	2 103 293	100%	Delivering and installation of equipment (Phase1)	80%	Consultant delays in detailed designs	Regular engagement with consultant to ensure designs are to correct specifications.	Phase one designs Control room and Gamma, Detailed designs, tender document
CWP_31	Director Energy Services	Energy Services: Planning and	Install New Bakone to IOTA 66KV double circuit GOAT line	11, 12, 13, 14, 17, 37,	Percent	5 179 133	3 430 064	100%	Delivering and installation of equipment.	90%	Challenges in acquiring servitude for the line.	PMU to assist in process of servitude negotiations	New route, detailed designs, payment

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		Development							Complete Phase 1 of the project				certificate, minutes
CWP_32	Director Energy Services	Energy Services: Planning and Development	Plant and Equipment	municipal wide	Percent	125 142	125 029	100%	Delivery of equipment	10%	Transversal Contracts can only acquire a normal 12meter cherry picker and we need a 23meter	To deviate on Transversal Contracts to buy a 23-meter cherry picker	Extension of time, opening registered. Advert
CWP_33	Director Energy Services	Energy Services: Planning and Development	Design and Construction of New Pietersburg 11kv substation	8, 14, 19	Percent	4 399 426	4 420 482	100%	Supply cables, RMU line constructed and substation fence completed	98%	Project was delayed by another Municipal project of constructing a bridge.	A new contractor has been identified to complete the project	Emails, approval, minutes, payment certificate, minutes
CWP_34	Director Energy Services	Energy Services: Planning and Development	Design and construction 66KV Distribution substation Matlala	Matlala substation	Percent	4 930 146	4 930 063	100%	Civil works 100% completed (phase 1)	80%	There were delays in acquiring land for the substation.	PMU to assist with Servitude negotiation	Detailed design, minutes of meetings, payment certificate.
CWP_35	Director Energy Services	Energy Services: Planning and Development	Design and construct 66kV line between Alpha and Matlala substations	between Alpha and Matlala substations	Percent	869 565	869 542	100%	Finalising servitudes and detailed designs	60%	There were delays in acquiring land for the substation.	PMU to assist with Servitude negotiation	minutes of meetings, presentations of preliminary designs
CWP_36	Director Energy Services	Energy Services: Planning and Development	Cherry Pickers x 5	Municipal wide	Percent	0	0	100%	Delivering of equipment	10%	Delays in compiling specification.	Regular monitoring and more meeting meetings to ensure specifications are done on time	Emails. opening

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CWP_38	Director Energy Services	Energy Services: Planning and Development	Refurbishing of overhead networks in Ivydale	Ward 22	Percent	1 304 348	1 241 085	100%	Refurbishment of overhead lines as per the design	100%	None.	None	partial completion certificate, payment certificate
CWP_39	Director Energy Services	Energy Services: Planning and Development	Energy Efficient Demand Side Management	Municipal Wide	Percent	3 478 261	3 473 228	100%	Completion of the project	94.5%	Delays by the contractor in procuring material for the project.	Regular monitoring of the contractor to prioritise our projects.	progress report, payment certificate, streetlights hand over certificate.
CWP_41	Director Energy Services	Energy Services: Planning and Development	Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 2 and phase 3)	13, Seshego Zone 8 Extension 133	Percent	15 329 293	15 324 047	100%	Completion of project	76%	Delays by the contractor in procuring material for the project.	Regular monitoring of contractor using PMBOK procedures	minutes of meetings, material delivery note, payment certificate, progress report, approved extension of time
CWP_43	Director Energy Services	Energy Services: Planning and Development	Retrofit Street Lights in the Municipal area with Solar lights	Main City Entrances (Landros Mare Street)	Percent	0	0	100%	Execution and project completion	10%	Delays in compiling specifications	Regular meetings to ensure specifications are done on time.	remittance/pro of of payment, advert, email to MMC
CWP_44	Director Energy Services	Energy Services: Planning and Development	Retrofit high mast lights with Solar lights	Rural Clusters high mast lights	Percent	224 348	224 311	100%	Completion of project	30%	Delays in compiling specifications.	Regular monitoring to ensure specifications are done with compliance to standards.	Quotations, payment, email

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CWP_44(A)	Director Energy Services	Energy Services: Planning and Development	Installation of Solar System at the New Peter Mokaba Stadium	New Peter Mokaba Stadium	Percent	2 006 731	2 006 731	30%	Preliminary Designs and Final Designs	30%	None.	None	Detailed designs, payment certificate, roof analysis, revised site which is parking
<b>Directorate Roads and Storm Water</b>													
CWP_45	Director Roads and Storm water	Roads and Transportation Services	Paving of AKI streets in RDP section SDA1 (Luthuli)	14	Percent	1 331 630	1 656 858	100%	Review of the designs for phase 5	100%	None.	None	review of the designs
CWP_47	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Mountain view	4	Percent	4 839 728	4 839 728	50%	Construction of selected layer & sub base	87%	None.	None	progress report and payment certificate
CWP_48	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets at Mankgaile, Ga-Mokoatedi to D4040 until GaRachidi	4	Percent	11 011 306	11 011 304	50%	Construction of selected layer & sub base	99%	None.	None	progress report, payment certificate and practical completion certificate
CWP_50	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access Roads from Ga Thaba in Molepo, Chuene, Maja cluster	2	Percent	458735.71	458735.71	100%	Prelim and Detailed design	100%	None.	None	Detailed design report
CWP_53	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 1	13	Percent	7 130 888	7 130 644	50%	Construction of selected layer & sub base	92%	None.	None	progress report, payment certificate and practical completion certificate

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CWP_54	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 54th and 58th avenue in Seshego Zone 2	37	Percent	4 715 273	4 715 273	10%	Site handover and Site Establishment	31%	None.	None	Allocation letter and Progress report
CWP_55	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 67th, 78th, 79th and 80th streets in Seshego Zone 3	37	Percent	1 733 900	1 733 900	10%	Site handover and Site Establishment	100%	None.	None	Allocation letter and Progress report
CWP_56	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 57th street in Seshego Zone 4	12	Percent	14 414 623	14 456 268	80%	Construction of sub base& base	100%	None.	None	Progress report, payment certificate and completion certificate
CWP_57	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 5	11	Percent	5 235 613	5 235 613	10%	Site handover and Site Establishment	20%	None.	None	Progress report and allocation letter
CWP_58	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from the hostel to Oliver Tambo road in Seshego Zone 6	37	Percent	3 313 356	3 313 356	10%	Completion of phase on and site establishment of phase	2.1%	The contractor for phase 1 was terminated. The new contractor (Bo-Mamohlala) was appointed to do both completion of phase 1 as well as paving of phase 2.	The contractor will accelerate the rate of progress for phase 1 with target for completion being within the first quarter of 2024/25 financial year. Phase 2 is progressing well with actual	Progress report, payment certificate and site handover report



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												progress exceeding the target. The overall progress is at 21%	
CWP_60	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Damaged Road signage in the City	City Cluster	Percent	301 279	0	100%	Replacement of 34 damaged road signs.	100%	None.	None	Progress report
CWP_61	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Mohlonong to Kalkspruit	40, 42	Percent	1396330.39	1396329.55	100%	Detailed Designs	100%	None.	None	Detailed design
CWP_62	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Monyoaneng to Lonsdale	45 & 35	Percent	4761275.67	4761204.44	50%	Construction of selected layer & sub-base	87%	None.	None	progress report and payment certificate
CWP_63	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Molejtjie Cluster (ward 35) (Paving of internal street in Ga Rankhuwe)	(ward 35)	Percent	4 018 797	4 018 797	90%	construction of storm water drainage and completion of block paving	100%	None.	None	progress report, payment certificate and practical completion certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_64	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Cluster (Ward 14)	Ward 14	Percent	4 230 461	4 232 237	90%	Construction of storm water drainage and completion of block paving	73%	There was a delay in supply of paving blocks and a hard rock was encountered during excavation for storm water pipes.	The contractor will procure paving blocks from other suppliers. The hard rock will be excavated by chemical blasting.	progress report and payment certificate
CWP_65	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in SDA1 (Paving of Dwars Street Connecting ext 40 and 78. (Ward 08)	8	Percent	3 988 912	3 988 912	90%	Construction of storm water drainage and completion of block paving	99%	None.	None	Progress Report, Payment Certificate and practical completion certificate
CWP_66	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Sebayeng / Dikgale Cluster (Paving of internal street at Madiga) Ward 29)	Ward 29	Percent	4 827 022	4 827 022	100%	Construction of base and paving	100%	None.	None	progress report, payment certificate and completion certificate
CWP_67	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Mankweng Cluster (Paving of street in Mothiba tribal office and Paving of internal street from University road to Makanye primary school	(Ward 7 and 24)	Percent	1 608 876	1 608 876	40%	Construction of road bed and sub base	9%	The consultant reported that the department of minerals and resources (DMR) halted the project due to the unavailability of the mining permit.	The contractor was advised to source material commercially.	email from the consultant indicating the halting of the project. progress report and payment certificate.

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CWP_68	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Molepo, Maja Chuene Cluster (Paving of Kopermyn internal road Ga- Maja)	Ward 2		3586844.54		90%	Construction of road bed, sub base , base storm water drainage and block paving	99%	None.	None	progress report and payment certificate
CWP_69	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Aganang Cluster (Paving of internal street at Ceres)	Ward 45	Percent	3 752 936	3 752 936	90%	construction of storm water drainage and completion of block paving	100%	None.	None	progress report, payment certificate and completion certificate
CWP_70	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Gadikgale (Moshate)	Gadikgale (Moshate)	Percent	498 169	498 169	100%	Detailed Design Report	100%	None.	None	detailed design report and payment certificate
CWP_71	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of streets in Nirvana extension	19	Percent	392 922	392 923	100%	Detailed Design Report,	100%	None.	None	detailed design report
CWP_72	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Non-Motorised Transport Infrastructure in Polokwane	Ward 08, 39, 17, CBD	Percent	4 420 174	4 419 569	100%	Completed block paving for pedestrians and cyclist	100%	None.	None	Practical completion certificate
CWP_75	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Nelson Mandela Bokelo, Dittlou Crossing	17	Percent	5 235 907	5 235 907	70%	Installation of kerbs, NMT works. street light, Priming and surfacing	54%	There were delays in relocating the existing services and cash-flow challenges	The contractor was requested to fast-track the relocation of	Progress report, payment certificate

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												existing services	
CWP_78	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Cebio and Lemur streets in Westernburg RDP Section (Phase 2)	19	Percent	7 072 225	7 072 225	90%	Construction of sub base, base and paving and storm water	78%	The contractor was delayed by late delivery of material.	The service provider to maximize resources on site.  The contractor to submit the catchup plan	progress report and payment certificate
CWP_79	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Street Names Boards	City Cluster, (08, 19, 20,21, 22, 23, 39)	Percent	405 945	0	100%	Completed installation 168 street name boards	100%	None.	None	Progress report and payment certificate
CWP_80	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access road in Ga Makgoba	33	Percent	3542962.87	3534983.44	40%	Construction of roadbed & sub base	65%	None.	None	Payment certificate and progress reports
CWP_81	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Nobody Traffic circle to Moshate Mothapo	Ward 05, 06, 07, and 27	Percent	763301.6	763301.6	100%	Detailed Design Report	100%	None.	None	Detailed Design Report
CWP_82	Director Roads and Storm water	Public Transport Infrastructure Development	Completion of road from Phomolong to Makgwareng	7	Percent	819871	819870.43	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_83	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Spitzkop to Segwasi	34	Percent	5858902.12	5858902.12	50%	Construction of roadbed, sub base	50.1%	None.	None	Progress report and payment certificate

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		Development											
CWP_84	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Titibe to Marobala and Makgoba	33	Percent	1000000	999086.36	100%	Detailed Design Report	100%	None.	None	Detailed design report and payment certificate
CWP_85	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Boshega to Tshebela to Boyne Road	3	Percent	0	0	20%	Box cutting.	0%	The budget was moved to Tarring of road from Tshebela to Moshate	Road combined with the Tarring of Tshebela to Moshate	N/A
CWP_86	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Silicon to Matobole	2	Percent	3927558.26	3927554.95	40%	Construction of roadbed, selected and sub base	45%	None.	None	Progress reports and payment certificates
CWP_87	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Maja Moshate to Feke ]	2	Percent	668393.04	668393.04	100%	Allocation of contractor	90%	Designs completed in the fourth quarter. Contractor to be allocated in the first quarter of the 2024/25 financial year.	Allocation of the contractor to be fast tracked.	Detailed Design Report
CWP_88	Director Roads and Storm water	Public Transport Infrastructure Development	Installation of Traffic Lights Within City CBD	City CBD Seshego Mankweng	Percent	2 395 423	2 239 827	100%	Installation of 1 traffic lights at Southern Gateway.	100%	None.	None	Completion certificate
CWP_88(A)	Director Roads and Storm water	Public Transport Infrastructure	Paving of Road in Seshego Treatment Plant	12	Percent	5710194.71	5710194.71	100%	site establishment, construction of pavement	100%	<b>Target Achieved</b>	None	allocation letter, progress report, practical

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		Development							layers, installation of kerbs and block paving				completion certificate
CWP_88(B)	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Road in Molepo Dam	4	Percent	5634729.44	5634729.44	100%	Allocation of contractor, site establishment, construction of pavement layers, installation of kerbs and block paving	100%	Target Achieved	None	Completion certificate
CWP_90	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road D3432 from Gilead road) via Sengatane to Chebeng(ward 16)	16	Percent	6263643.27	6203904.07	60%	Construction of sub base & base	83%	None.	None	Progress report and payment certificate
CWP_91	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of road in ga Thoka from reservoir to Makanye 4034	27	Percent	2035944.97	2035944.98	40%	Construction of roadbed & sub base	27%	Slow progress on site.	Recommendation for termination letter was issued.	Progress report, payment certificate and recommendation for termination letter.
CWP_92	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	30	Percent	920608.81	920608.81	100%	Allocation of contractor and site establishment	100%	None.	None	Allocation letter, Detailed design report, progress report and payment certificate

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CWP_93	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from Solomondale to D3997 (ward 32)	32	Percent	2 194 000	2 190 066	30%	Construction of sub base, base and surfacing	60%	None.	None	Progress report and payment certificate
CWP_94	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	34	Percent	792698.29	776751.13	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_95	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)	36	Percent	860 074	860 074	100%	Detailed Design Report	100%	None.	None	detailed design report and payment certificate
CWP_96	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road (ward 38)	38	Percent	6 751 620	6 751 619	50%	Construction of sub base & base	90%	None.	None	progress report and payment certificate
CWP_97	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Internal Street in Ga Ujane to D3363 (ward 40)	40	Percent	4347331.05	4318237.32	50%	Construction of sub base & base	58%	None.	None	progress report and payment certificate
CWP_98	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	41	Percent	5219034	5218959.79	100%	Detailed Design Report	100%	None.	None	Detailed design report

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CWP_99	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	42	Percent	334000	333411.8	100%	Detailed Design Report	100%	None.	None	detailed design report
CWP_100	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	43	Percent	1070184.31	1066662.34	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_101	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of storm water system in municipal area (Vukuphile)	Municipal area	Percent	190 213	190 213	30%	Scoping	30%	None.	None	Scoping report
CWP_102	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm Water in Ga Semanya	38	Percent	417 515	417 515	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_103	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	12	Percent	0	0	100%	Detailed designs	33%	The quotations for topographical survey were expensive. As a result, only the inception report was completed.	The consultant was requested to revise the quotations before finalizing the preliminary design report.	Inception report and correspondence to the consultant.



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CWP_104	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm water Canal in Seshego	17	Percent	8 161 899	8 161 899	75%	layer works for NMT 60%, Block paving laying 90%, Installation of Gabions, street lights installation	84%	None.	None	Progress report, minutes and payment certificate
CWP_105	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water in Seshego	Ward 11,13	Percent	291 902	291 902	30%	Scoping	30%	None.	None	Scoping report
CWP_106	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of storm water in Polokwane ext. 76	8	Percent	1 767 724	1 767 724	50%	Excavation of stormwater trenches, Road bed & selected layer	50%	None.	None	payment certificate, progress report and minutes
CWP_107	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water in Sterpark; Flora Park; and Fauna Park	20,21	Percent	342 458	342 458	100%	Review of the preliminary and detail design	67%	Preliminary flood line design from the new consultant was not adequate to provide ample stormwater structure for flash flood prevention.	The new consultant is busy with the revision of flood line to 1:50 years on the preliminary design report to cover future floods.	reviewed preliminary design report
<b>Directorate Transportation Services</b>													
CWP_117	Director Transportation Services	Public Transport Infrastructure Development	Upgrad & constr of Trunk route WP1	8, 11, 13, 17, 19, 22, 23 & 39	Percent	2 708 601	2 092 375	100%	Road markings, replacement of rumble blocks, installation of Urban	0%	Only the implementation of the refurbishment of the Layover facility and the depot civil works	Project to be implemented in 2024/25 financial year	N/A

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									Traffic Control		were currently prioritized		
CWP_118	Director Transport Services	Public Transport Infrastructure Development	widening of Sandriver bridge (trunk bridge)	City	Percent	8 130 435	5 057 659	100%	Compl of concrete works on bridge deck and walkways, surfacing & Road Markings	80%	There were disputes between the Consultant and Contractor about the beams	Both the Contractor and Consultant were terminated, and a new Consultant and Contractor appointed	Progress report. Consultant report for the bridge, Gap audit report for contractor
CWP_119	Director Transport Services	Public Transport Infrastructure Development	Refurbishment of daytime layover facility	City	Percent	3 478 261	2 164 173	100%	Reinstatement of paving, and finishing	98%	Delays in issuing of construction drawings to the contractor.	An intervention meeting was held	Progress report
CWP_120		Public Transport Infrastructure Development	Construction of Bus station upper structure (general Joubert str)	City	Percent	19 694 782	19 678 424	100%	Mechanical & electrical installations, finishing of ablution and precinct, amendment to surfacing levels for docking of buses, installation of kassel kerbs, branding and way finding	99%	The Consultant kept on changing the designs and this affected the work of the Contractor	A new consultant was appointed.  Contractor to issue compliance certificate i.e. completion certificate and Certificate of compliance	Progress report, Dispute for consultant payment, minutes
CWP_121	Director Transport	Public Transport	Upgrade of transit mall	City	Percent	2 304 348	2 056 908	100%	Mechanical & electrical	0%	Insufficient budget to the project due	Project to be implemented	N/A

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
	ion Services	Infrastructure Development							installations, finishing of ablution and precinct, amendment to surfacing levels for docking of buses, installation of kassel kerbs, branding and way-finding		to budget cuts by National Treasury	during 2024 2025 with allocated budget of R10 434 782.60	
CWP_122	Director Transport Services	Public Transport Infrastructure Development	Ditlou intersection	Ward no 13 & 17	Percent	3 043 478	3 043 478	100%	Subbase 100%, Base 100%, Surfacing 100%, NMT 95%, Streetlighting 90%, Traffic Signals 95%	54%	There were delays by the contractor in sourcing the subcontractor for the relocation of the electrical cable. The Service provider also had cash flow challenges	Contractor advised to enter into cession agreement for procurement of material. Contractor instructed to settle all outstanding sub-contractors	Progress report
CWP_123	Director Transport Services	Public Transport Infrastructure Development	Construction of bus depot Civil works WP3	11 Seshego	Percent	13 043 478	12 623 342	100%	Completion of paving and finishing	87%	The transferring and verification of design information from the former consultant, the verification and exposing of services, the establishment of social structures for labour sourcing, as well the settlement of payment to the	Intervention meeting were held between the contractor, consultant and the Director to find solution. A follow-up letter is prepared to address the involvement	Progress report

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
											SMME's for the terminated contract, involvement of consulting team, responsiveness to requests and instructions by both the consultant and contracting team, resulted in delays.	of the consultant	
CWP_126	Director Transport Services	Public Transport Infrastructure Development	Construction & provision of Bus Depot Upper structure in Seshego	11	Percent	1 304 347	381 345	70%	Installation of services, brickworks, roofing, glazing, concrete works	0%	Target not met as the upper structure is dependent on the depot civil which is still not complete	SandRiver bridge to be completed in 2024/25 financial year	N/A
CWP_130	Director Transport Services	Public Transport Infrastructure Development	Control Centre	20	Percent	2 782 609	496 431	100%	Installation of carports and solar system & UPS, finishing of fire protection reticulation, commissioning & COC	0%	Insufficient budget to the project due to budget cuts by National Treasury	Project to be implemented during 2024/25	N/A
CWP_131	Director Transport Services	Director Roads and Transport Services	Updating of Technical Operational Plan	All wards	Percent	Opex	Opex	20%	Reviewed Technical Operational Plan	100%	None.	None	Technical Operational Plan (TOP)

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_132	Director Transportation Services	Director Roads and Transportation Services	Updating of Business & Financial Plan	All wards	Percent	Opex	Opex	50%	Preparation of the Leeto La Polokwane Business Plan to the National Department of Transport due in July 2025	100%	None.	None	Updated Business Plan
CWP_133	Director Transportation Services	Public Transport Regulation and Monitoring	Implementation of Marketing, Communications Strategy & Stakeholder Engagements	All wards	Percent	Opex	Opex	30%	Implementation of the Stakeholder and Customer Relationship Plan	100%	None.	None	Customer Query Sheets, stakeholder engagements attendance registers and minutes
CWP_134	Director Transportation Services	Public Transport Regulation and Monitoring	Leeto la Polokwane Phase 1A Marketing, Promotion	All Wards	Percent	Opex	Opex	25%	Implementation of the marketing communication strategy	100%	None.	None	Pictures of branding at events/activations, graphic design samples, social media posts screenshots and public notices
CWP_135	Director Transportation Services	Public Transport Infrastructure Development	Undertaking of Industry Transition	All wards	Percent	Opex	Opex	100%	11 Engagement meetings	45%	Taxi industry refusing to hold meetings due to outstanding 3-year contract matters	The municipality is currently engaging with DoT to find a solution on the contract challenges  Intensify engagement with affected public	Attendance registers, minutes, reports and memoranda

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												transport operators (industry transition)	
<b>Directorate Planning and Economic Development</b>													
CWP_136	Director Planning and Economic Development	Economic Development and Tourism	Township establishment at portion 151-160 of the Farm Sterkloop 688 LS. (Kingdom Park)	Ward 08 (next to extension 44)	Percent	776 252	776 252	26%	Registration of Township	26%	None	None	No. proclamation notice done yet
CWP_137	Director Planning and Economic Development	Economic Development and Tourism	Implementation of the ICM program (IUDF) Precinct Plan	Ward 06 PDA 1	Percent	60 435	60 435	10%	Development of the Agro-Village concept at Dalmada and Kalkfontein farms	10%	None	None	Council Resolution
CWP_138	Director Planning and Economic Development	Economic Development and Tourism	Township Establishment for the Eco-estate at Game Reserve	Ward 20 Urban edge development	Percent	920 076	0	30%	Lodging of the Application with PM.	25%	There was a delay with the final scoping report due to complexity of the area	Preliminary Studies have been submitted	Biodiversity Study Desktop Engineering Services Desktop Environmental Screening Desktop Heritage Desktop Status Quo Phase 1 Prelim Geotech
CWP_141	Director Planning and Economic	Economic Development and Tourism	Provision of short term engineering services for	Ward 06	Percent	CRR 8 000 000  IUDG 7 561 437	8 000 000  7 345 120	50%	Site Handover	50%	None.	None	MPT approval letter and also letter to Public Works indicating

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
	Development		Bakone Malapa										approval of rights and township establishment. Thereafter Public Works hands over to contractors to proceed. Invitation Letters attached. Detailed design on water and sewer report.
<b>Directorate Corporate and Shared Services - Facilities Management</b>													
CWP_143	Director Corporate and Shared Services	Facility Maintenance	Civic Centre refurbishment	39	Percent	787 637	787 637	100%	Fixing Ceiling at ICT section and North wing (Revenue and ICT )	100%	None.	None	None
CWP_144	Director Corporate and Shared Services	Facility Maintenance	Renovation of offices	Municipal Wide	Percent	539 576	504 643	100%	Installation of Water pressure pump and tanks for Maja and Sebayeng Satellite offices	100%	None.	None	Job card, invoice,
CWP_147	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Municipal Public toilets	City	Percent	2 162 524	1 856 163	100%	Removal and installation of new sanitary fittings, tilling, Electrical	100%	None.	None	Job and Invoice

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
									finishes, wall finishes and access control at: Bus Terminal, RSA (Dahl Street)				
CWP_149	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Jack Botes Hall	39	Percent	1 300 743	1 300 743	100%	Fixing of exit doors and smoke ventilators	100%	None.	None	None
CWP_150	Director Corporate and Shared Services	Facility Maintenance	Refurbishment Aganang Cluster offices	Aganang Cluster	Percent	415 524	415 524	100%	Electrical, floor finishes	100%	None.	None	Internal Job card
CWP_151	Director Corporate and Shared Services	Facility Maintenance	Municipal Furniture and Office Equipment's	Municipal Wide	Percent	286 894	1 982 962	100%	Purchasing of office equipment's for staff personnel in Aganang	100%	None.	None	Delivery notes
CWP_152	Director Corporate and Shared Services	Facility Maintenance	Fencing of New Council Chamber Precinct Area from VIC to the New Council Chamber	City CBD	Percent	0	0	100%	Fencing of New Council Chamber and Jack Botes Hall Precinct Area from VIC to the New Council Chamber	100%	None.	None	Donation letter, Council Resolution and Delivery note.
CWP_153 (A)	Director Corporate and Shared Services	Facility Maintenance	Construction of Mankweng Traffic and Licensing Testing Center	Mankweng Cluster	Percent	3 500 000	2 488 852	100%	Clear view perimeter fence	45%	The Contractor took long to submit contractual documentation (Safety Files) for approval.	The documents have been submitted and Contractor	Invoices for site establishment and materials on site including



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
												started with work on site.	professional fees and pictures and Progress Report
<b>Directorate Corporate and Shared Services - ICT</b>													
CWP_154	Director Corporate and Shared Services	Information Communication Technology	Procurement of Laptops, PCs and Peripheral Devices	All Wards	Percent	CRR 3 190 808 FMG 326 900 ISDG 514 720	3 240 362  537 050  579 060	100%	Procured Laptops	100%	None.	None	ICT project report, delivery note and invoice
CWP_155	Director Corporate and Shared Services	Information Communication Technology	Implementation of ICT Strategy	All Wards	Percent	0	0	100%	Project Closure Report and Functionality Test Report	0%	The budget was not sufficient to implement ManageEngine and transferred to procurement of computers during budget adjustment.	Allocation of sufficient budget	N/A
CWP_156	Director Corporate and Shared Services	Information Communication Technology	Network Upgrade	All Wards	Percent	362712	315911	100%	Project Closure Report and Functionality Test Report	100%	None.	None	Report and Purchase Order.
<b>Directorate Corporate and Shared Services - Fleet Management</b>													
CWP_157	Director Corporate and Shared Services	Fleet Management Services	2X security Panel van	All Wards	Percent	0	0	50%	Delivery of ordered fleet in line with the needs and specifications	0%	Could not be implemented due to cost comparison from Tender to procuring through RT57 contract	Expedite of RT57 contract process	Quotations and emails to SCM

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_159	Director Corporate and Shared Services	Fleet Management Services	Acquisition of fleet - Refuse Trucks	All Wards	Percent	9 157 665	2 607 100	50%	Delivery of ordered fleet in line with the needs and specifications	25%	1 grader delayed at the port and to be delivered in July 2024	Follow-up on delivery with the service provider	Invoice and delivery note and appointment letter of service provider
<b>Directorate Community Services - Sports and Recreation</b>													
CWP_160	Director Community Services	Sports and Recreation	Grass Cutting equipment's	Municipal Wide	Percent	597 651	880 752	100%	Procured tractor mounted Slashers, Bush cutters, Hedge trimmer	100%	None.	None	Delivery note and Invoice
CWP_161	Director Community Services	Sports and Recreation	EXT 44/78 Sports and Recreation Facility	8	Percent	CRR 5 574 795 IUDG 6 010 688	3 368 244 6 010 688	50%	Construction of grandstand and change rooms	82.5%	None.	None	Project progress report and summary of claims
CWP_162	Director Community Services	Sports and Recreation	Construction of Sebayeng / Dikgale Sport Complex	Sebayeng / Dikgale Cluster (24,29,32, 30, 31, 33)	Percent	0	0	100%	Appointment of the contractor	100%	None.	None	Appointment letter
CWP_163	Director Community Services	Sports and Recreation	Upgrading of Mankweng Stadium-roadworks	25	Percent	0	0	100%	Appointment of the Consultant	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented.	Consultant report on priced Bill of Quantities and Contractor appointment letter

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_164	Director Community Services	Sports and Recreation	Procurement of fields maintenance equipment's	Municipal Wide	Percent	0	0	100%	Procured Pitch Rollers, Scarifying machine, hollow tinning machine, verti-drain machine and ride on lawn mower and tractor mounted blower mower	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. The project will be re-advertised in 2024/2025 financial year	Budget Segment attached and Email inquiries made
CWP_165	Director Community Services	Sports and Recreation	Procurement of Sports Fields Poles and Nets	Municipal Wide	Percent	644 759	544606.83	100%	Delivery of Poles, and Netball Soccer Posts	100%	None.	None	Official Purchase Order and Works Order attached Delivery note and Invoice
CWP_167	Director Community Services	Sports and Recreation	Refurbishment of the City Swimming Pool	City CBD	Percent	388620	0	100%	Installed Scum Channels	100%	None.	None	Scum Channels delivery note, invoice, official purchase order and photos
CWP_168	Director Community Services	Sports and Recreation	Refurbishment of the Nirvana Swimming Pool	19	Percent	4 967 146	4 810 742	100%	Installed plant room equipment	100%	None.	None	Completion certificate
CWP_169	Director Community Services	Sports and Recreation	Construction of Softball stadium in City Cluster	City Cluster	Percent	351 440	351 440	100%	Appointment of the contractor	100%	None.	None	Appointment letter
CWP_170	Director Community Services	Sports and Recreation	Molepo Sports Complex	1, 2, 3, 4, 5	Percent	863 588	863 588	100%	Construction of the	0%	The deviation report was	The corrected deviation report will be	Deviation Report

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
									Sports Complex		referred by BAC for corrections	submitted to BAC for approval in 2024/2025 financial year	
CWP_170 (A)	Director Community Services	Sports and Recreation	Upgrading of Seshego Stadium	13	Percent	9 739 130	9 366 922	100%	Upgrading of Seshego Stadium	100%	None.	None	Progress Report
CWP_171	Director Community Services	Cultural Services	Collection development - books	All wards	Percent	291 902	172 932	100%	Purchased and delivery of books	100%	None.	None	Project closed in quarter 3
<b>Directorate Community Services - Waste Management</b>													
CWP_177	Director Community Services	Waste Management	Extension of landfill site (Weltevreden)	All wards	Percent	916 565	909 568	100%	Appointment of consultant for the implementation of the project	0%	The available budget only managed to pay for the issuing of license	Council approved budget for the implementation of this project in the next financial year	Budget segment and Invoice
CWP_178	Director Community Services	Waste Management	240 litre bins	All wards	Percent	0	0	100%	Supply and delivery	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	Delivery note and Invoice
CWP_179	Director Community Services	Waste Management	6 & 9 M3 Skip containers	All wards	Percent	1 304 348	1 291 082	100%	Supply and delivery	100%	None.	None	Delivery note and Invoice
CWP_180	Director Community Services	Waste Management	Ga- Maja transfer station (Planning)	2	Percent	829 163	829163.15	100%	Desings Payment certificate	100%	None.	None	Designs and Pay certificate
CWP_181	Director Community Services	Waste Management	Ga- Chuene transfer station (Planning)	1	Percent	829745	829744.85	100%	Desings EIA report Payment certificate	100%	None.	None	Designs and Pay certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_182	Director Community Services	Waste Management	Molepo Transfer Station	1, 2, 3, 4, 5	Percent	434 783	434 417	100%	Completed Designs	100%	None.	None	Designs
CWP_183	Director Community Services	Waste Management	Construction of septic tank at Mankweng transfer station	Mankweng Cluster	Percent	0	0	100%	Excavation, build tank, connect pipes, lay French drain	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_184	Director Community Services	Waste Management	Purchase of Educational and Awareness equipment	20, 25	Percent	0	0	100%	Delivery of material	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_185	Director Community Services	Waste Management	No dumping Boards	All wards	Percent	434 783	434 010	100%	Delivery and completion	100%	None.	None	Tax Invoice and Delivery note
<b>Directorate Community Services - By-Law Enforcement and Security</b>													
CWP_188	Director Community Services	By-Law Enforcement and Security	Installation of CCTV cameras within the City CBD	39	Percent	653 560	653 559	100%	Delivery and installation of five (5) CCTV camera sets	100%	None.	None	Invoices and delivery note.
CWP_189	Director Community Services	By-Law Enforcement and Security	Provision two way radios	All Clusters	Percent	181 990	181 989	100%	Delivery of forty (40) two-way radios	100%	None.	None	Invoice and delivery note
CWP_190	Director Community Services	By-Law Enforcement and Security	Provision of Access Control Systems and equipment	All Clusters	Percent	783	0	100%	Installation of Access control systems at three (3) Municipal sites	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_191	Director Community Services	By-Law Enforcement and Security	Supply and delivery of mobile guard houses	All Clusters	Percent	0	0	100%	Delivery of guard houses	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_192	Director Community Services	By-Law Enforcement and Security	Purchase of Firearms	All wards	Percent	0	0	100%	Delivery of fire arms	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_193	Director Community Services	By-Law Enforcement and Security	CCTV and Access control maintenance tool Kit	All wards	Percent	83 376	82 340	100%	Delivery of CCTV & Access control maintenance tool Kit	100%	None.	None	Poe submitted in the second quarter.
<b>Directorate Community Services - Disaster Management and Fire Services</b>													
CWP_194	Director Community Services	Disaster Management	Acquisition of fire Equipment	23	Percent	86 049	106 266	100%	Delivery of the fire equipment	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. Has been re-advertised.	The re-advertisement notice
CWP_195	Director Community Services	Disaster Management	Miscellaneous equipment and gear / Ancillary equipment	23	Percent	292 642	68 700	100%	Delivery of the ancillary equipment	100%	None.	None	Bid specification and invoice
CWP_196	Director Community Services	Disaster Management	Hydraulic equipment	23	Percent	1 584 210	1 209 340	100%	Delivery of the hydraulic equipment	100%	None.	None	Bid specification document and invoice

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_198	Director Community Services	Disaster Management	Multipurpose branches Monitors	23	Percent	0	0	100%	Delivery of the multiple branches equipment	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_199	Director Community Services	Disaster Management	Rescue ropes / high angle	23	Percent	585 285	446 390	100%	Delivery of the high angle or ropes	100%	None.	None	Bid specification document and invoice
CWP_201	Director Community Services	Disaster Management	Industrial Fire Fighting portable Pumps	23	Percent	2 466	0	100%	Delivery of industrial portable pump	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
<b>Directorate Community Services - Environmental Management</b>													
CWP_202	Director Community Services	Environmental Management	Refurbishment of Game Reserve facilities	20	Percent	4 969 372	4 133 427	100%	Renovation of one chalet.	100%	None.	None	Tax invoice and pictures
CWP_203	Director Community Services	Environmental Management	Upgrading of municipal nursery	City	Percent	928 922	669 077	100%	Repair glasshouse cooling system	100%	None.	None	Invoice and picture of pump
CWP_204	Director Community Services	Environmental Management	Grass cutting equipment's	Municipal Wide	Percent	2 573 696	1 445 472	100%	Procurement of grass cutting equipment	100%	None.	None	Tax invoice and delivery note
CWP_205	Director Community Services	Environmental Management	Greening programme	Municipal wide	Percent	1 024 575	1 019 935	100%	Supply and delivery of trees	100%	None.	None	Delivery note and Tax Invoice
CWP_206	Director Community Services	Environmental	Development of a regional	Municipal wide	Percent	1 010 990	54 468	100%	Submission of approved	100%	None.	None	Final Designs

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
		Management	parks In Rural Areas						plans and design				
<b>Directorate Community Services - Traffic and Licensing</b>													
CWP_208	Director Community Services	Traffic and Licensing	Procurement of 2 x equipped mobile Bus	Municipal wide	Percent	0	0	100%	Delivery and payment	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_209	Director Community Services	Traffic and Licensing	Upgrading of City traffic & licensing centre	Ladanna	Percent	6 970 038	3 218 976	100	Completion of phase one	100%	None.	None	Completion certificate and payment certificate
CWP_210	Director Community Services	Traffic and Licensing	Container Mankweng Traffic	Mankweng Cluster	Percent	782 000	679 990	100%	Delivered container	100%	None.	None	Appointment letter and invoice.



**APPENDIX P – CAPITAL PROGRAMME BY PROJECT 2023/24**

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
<b>Directorate Water and Sanitation – Water Services</b>					
CWP_01	Director Water and Sanitation	Water and Sanitation	Olifantspoort RWS (Mmotong wa Perekisi)	10 266 272	10 266 272
CWP_02	Director Water and Sanitation	Water and Sanitation	Mothapo RWS	28 180 722	28 148 302
CWP_03	Director Water and Sanitation	Water and Sanitation	Moletjie East RWS	7 523 213	7 477 195
CWP_04	Director Water and Sanitation	Water and Sanitation	Moletjie North RWS	11 327 960	11 327 960
CWP_05	Director Water and Sanitation	Water and Sanitation	Sebayeng/Dikgale RWS	5 180 281	5 180 280
CWP_06	Director Water and Sanitation	Water and Sanitation	Moletjie South RWS	0	0
CWP_07	Director Water and Sanitation	Water and Sanitation	Houtriver RWS	7 438 704	7 438 704
CWP_08	Director Water and Sanitation	Water and Sanitation	Chuene Maja RWS	13 899 229	13 796 230
CWP_09	Director Water and Sanitation	Water and Sanitation	Molepo RWS	11 363 476	11 363 420
CWP_10	Director Water and Sanitation	Water and Sanitation	Laastehoop RWS	1 424 087	1 424 086
CWP_11	Director Water and Sanitation	Water and Sanitation	Mankweng RWS	1 160 558	1 160 557
CWP_12	Director Water and Sanitation	Water and Sanitation	Boyne RWS	10 909 338	10 909 336
CWP_13	Director Water and Sanitation	Water and Sanitation	Badimong RWS	1 479 396	1 479 396
CWP_14	Director Water and Sanitation	Water and Sanitation	Construction of ventilated pit latrines	60 000 000	
CWP_15	Director Water and Sanitation	Water and Sanitation	Regional Wastewater Treatment Plant	RBIG: 148 129 433; CRR: 62 730 995	RBIG: 148 129 433; CRR: 62 730 508.
CWP_16	Director Water and Sanitation	Water and Sanitation	Polokwane Bulk Water Supply	6 826 005	9 894 333
CWP_18	Director Water and Sanitation	Water and Sanitation	Aganang RWS (2)	29 209 723	29 209 438
CWP_19	Director Water and Sanitation	Water and Sanitation	Aganang RWS (3) (Ramalapa, Mashamaite, Makgodu, Mars)	16 772 370	15 264 358

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_20	Director Water and Sanitation	Water and Sanitation	Bakone RWS (2)	9 443 975	9 444 015
CWP_21	Director Water and Sanitation	Water and Sanitation	Thakgalang Rural Sanitation Phase 1	7 459 407	
CWP_22	Director Water and Sanitation	Water and Sanitation	Segwasi RWS	12 386 458	12 389 465
CWP_23	Director Water and Sanitation	Water and Sanitation	Mashashane Water Works	13 431 658	13 721 517
CWP_25	Director Water and Sanitation	Water and Sanitation	Installation of Prepaid Water Meters at Mankweng ward 25 and 26	0	0
<b>Directorate Energy Services - Energy Services</b>					
CWP_26	Director Energy Services	Energy Services: Planning and Development	Installation of Solar Street lights along Zebediela road	1 739 130	0
CWP_27	Director Energy Services	Energy Services: Planning and Development	Installation of street lights along Nelson Mandela Drive from Ext 74 Robots to Seshego Circle Mall (Removed by BRT Project)	0	0
CWP_29	Director Energy Services	Energy Services: Planning and Development	Installation of High Mast lights) (Rural Areas)	4 032 648	3 013 980
CWP_30	Director Energy Services	Energy Services: Planning and Development	Design the upgrade SCADA and RTU	2 103 293	2 103 293
CWP_31	Director Energy Services	Energy Services: Planning and Development	Install New Bakone to IOTA 66KV double circuit GOAT line	5 179 133	3 430 064
CWP_32	Director Energy Services	Energy Services: Planning and Development	Plant and Equipment	125 142	125 029
CWP_33	Director Energy Services	Energy Services: Planning and Development	Design and Construction of New Pietersburg 11kv substation	4 399 426	4 420 482
CWP_34	Director Energy Services	Energy Services: Planning and Development	Design and construction 66KV Distribution substation Matlala	4 930 146	4 930 063

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_35	Director Energy Services	Energy Services: Planning and Development	Design and construct 66kV line between Alpha and Matlala substations	869 565	869 542
CWP_36	Director Energy Services	Energy Services: Planning and Development	Cherry Pickers x 5	0	0
CWP_38	Director Energy Services	Energy Services: Planning and Development	Refurbishing of overhead networks in Ivydale	1 304 348	1 241 085
CWP_39	Director Energy Services	Energy Services: Planning and Development	Energy Efficient Demand Side Management	3 478 261	3 473 228
CWP_41	Director Energy Services	Energy Services: Planning and Development	Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 2 and phase 3)	15 329 293	15 324 047
CWP_43	Director Energy Services	Energy Services: Planning and Development	Retrofit Street Lights in the Municipal area with Solar lights	0	0
CWP_44	Director Energy Services	Energy Services: Planning and Development	Retrofit high mast lights with Solar lights	224 348	224 311
CWP_44(A)	Director Energy Services	Energy Services: Planning and Development	Installation of Solar System at the New Peter Mokaba Stadium	2 006 731	2 006 731
<b>Directorate Roads and Storm Water</b>					
CWP_45	Director Roads and Storm water	Roads and Transportation Services	Paving of AKI streets in RDP section SDA1 (Luthuli)	1 331 630	1 656 858
CWP_47	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Mountain view	4 839 728	4 839 728
CWP_48	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets at Mankgaile, Ga-Mokoatedi to D4040 until GaRachidi	11 011 306	11 011 304
CWP_50	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access Roads from Ga Thaba in Molepo, Chuene, Maja cluster	458735.71	458735.71
CWP_53	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 1	7 130 888	7 130 644

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_54	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 54th and 58th avenue in Seshego Zone 2	4 715 273	4 715 273
CWP_55	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 67th, 78th, 79th and 80th streets in Seshego Zone 3	1 733 900	1 733 900
CWP_56	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 57th street in Seshego Zone 4	14 414 623	14 456 268
CWP_57	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 5	5 235 613	5 235 613
CWP_58	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from the hostel to Oliver Tambo road in Seshego Zone 6	3 313 356	3 313 356
CWP_60	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Damaged Road signage in the City	301 279	0
CWP_61	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Mohlonong to Kalkspruit	1396330.39	1396329.55
CWP_62	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Monyoaneng to Lonsdale	4761275.67	4761204.44
CWP_63	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Moletjie Cluster (ward 35) (Paving of internal street in Ga Rankhuwe)	4 018 797	4 018 797
CWP_64	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Cluster (Ward 14)	4 230 461	4 232 237
CWP_65	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in SDA1 (Paving of Dwars Street Connecting ext 40 and 78. (Ward 08)	3 988 912	3 988 912

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_66	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Sebayeng / Dikgale Cluster (Paving of internal street at Madiga) Ward 29)	4 827 022	4 827 022
CWP_67	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Mankweng Cluster (Paving of street in Mothiba tribal office and Paving of internal street from University road to Makanye primary school	1 608 876	1 608 876
CWP_68	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Molepo, Maja Chuene Cluster (Paving of Kopermyn internal road Ga- Maja)	3586844.54	
CWP_69	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Aganang Cluster (Paving of internal street at Ceres)	3 752 936	3 752 936
CWP_70	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Gadikgale (Moshate)	498 169	498 169
CWP_71	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of streets in Nirvana extension	392 922	392 923
CWP_72	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Non-Motorised Transport Infrastructure in Polokwane	4 420 174	4 419 569
CWP_75	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Nelson Mandela Bo-okelo, Ditlou Crossing	5 235 907	5 235 907
CWP_78	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Cebio and Lemur streets in Westernburg RDP Section (Phase 2)	7 072 225	7 072 225
CWP_79	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Street Names Boards	405 945	0

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_80	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access road in Ga Makgoba	3542962.87	3534983.44
CWP_81	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Nobody Traffic circle to Moshate Mothapo	763301.6	763301.6
CWP_82	Director Roads and Storm water	Public Transport Infrastructure Development	Completion of road from Phomolong to Makgwareng	819871	819870.43
CWP_83	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Spitzkop to Segwasi	5858902.12	5858902.12
CWP_84	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Titibe to Marobala and Makgoba	1000000	999086.36
CWP_85	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Boshaga to Tshebela to Boyne Road	0	0
CWP_86	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Silicon to Matobole	3927558.26	3927554.95
CWP_87	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Maja Moshate to Feke ]	668393.04	668393.04
CWP_88	Director Roads and Storm water	Public Transport Infrastructure Development	Installation of Traffic Lights Within City CBD	2 395 423	2 239 827
CWP_88(A)	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Road in Seshego Treatment Plant	5710194.71	5710194.71
CWP_88(B)	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Road in Molepo Dam	5634729.44	5634729.44
CWP_90	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	6263643.27	6203904.07
CWP_91	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of road in ga Thoka from reservoir to Makanye 4034	2035944.97	2035944.98

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_92	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	920608.81	920608.81
CWP_93	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from Solomondale to D3997 (ward 32)	2 194 000	2 190 066
CWP_94	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	792698.29	776751.13
CWP_95	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)	860 074	860 074
CWP_96	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road (ward 38)	6 751 620	6 751 619
CWP_97	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Internal Street in Ga Ujane to D3363 (ward 40)	4347331.05	4318237.32
CWP_98	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	5219034	5218959.79
CWP_99	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	334000	333411.8
CWP_100	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	1070184.31	1066662.34
CWP_101	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of storm water system in municipal area (Vukuphile)	190 213	190 213
CWP_102	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm Water in Ga Semenya	417 515	417 515

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_103	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	0	0
CWP_104	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm water Canal in Seshego	8 161 899	8 161 899
CWP_105	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water in Seshego	291 902	291 902
CWP_106	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of storm water in Polokwane ext. 76	1 767 724	1 767 724
CWP_107	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna Park	342 458	342 458
<b>Directorate Transportation Services</b>					
CWP_117	Director Transportation Services	Public Transport Infrastructure Development	Upgrad & constr of Trunk route WP1	2 708 601	2 092 375
CWP_118	Director Transportation Services	Public Transport Infrastructure Development	widening of Sandriver bridge (trunk	8 130 435	5 057 659
CWP_119	Director Transportation Services	Public Transport Infrastructure Development	Refurbishment of daytime layover facility	3 478 261	2 164 173
CWP_120		Public Transport Infrastructure Development	Construction of Bus station upper structure (general Joubert str)	19 694 782	19 678 424
CWP_121	Director Transportation Services	Public Transport Infrastructure Development	Upgrade of transit mall	2 304 348	2 056 908
CWP_122	Director Transportation Services	Public Transport Infrastructure Development	Ditlou intersection	3 043 478	3 043 478
CWP_123	Director Transportation Services	Public Transport Infrastructure Development	Construction of bus depot Civil works WP3	13 043 478	12 623 342



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_126	Director Transportation Services	Public Transport Infrastructure Development	Construction & provision of Bus Depot Upper structure in Seshego	1 304 347	381 345
CWP_130	Director Transportation Services	Public Transport Infrastructure Development	Control Centre	2 782 609	496 431
CWP_131	Director Transportation Services	Director Roads and Transportation Services	Updating of Technical Operational Plan	Opex	Opex
CWP_132	Director Transportation Services	Director Roads and Transportation Services	Updating of Business & Financial Plan	Opex	Opex
CWP_133	Director Transportation Services	Public Transport Regulation and Monitoring	Implementation of Marketing, Communications Strategy & Stakeholder Engagements	Opex	Opex
CWP_134	Director Transportation Services	Public Transport Regulation and Monitoring	Leeto la Polokwane Phase 1A Marketing, Promotion	Opex	Opex
CWP_135	Director Transportation Services	Public Transport Infrastructure Development	Undertaking of Industry Transition	Opex	Opex
<b>Directorate Planning and Economic Development</b>					
CWP_136	Director Planning and Economic Development	Economic Development and Tourism	Township establishment at portion 151-160 of the Farm Sterkloop 688 LS. (Kingdom Park)	776 252	776 252
CWP_137	Director Planning and Economic Development	Economic Development and Tourism	Implementation of the ICM program (IUDF) Precinct Plan	60 435	60 435
CWP_138	Director Planning and Economic Development	Economic Development and Tourism	Township Establishment for the Eco-estate at Game Reserve	920 076	0
CWP_141	Director Planning and Economic Development	Economic Development and Tourism	Provision of short term engineering services for Bakone Malapa	CRR: 8 000 000; IUDG: 7 561 437	CRR: 8 000 000; IUDG: 7 561 437
<b>Directorate Corporate and Shared Services - Facilities Management</b>					
CWP_143	Director Corporate and Shared Services	Facility Maintenance	Civic Centre refurbishment	787 637	787 637

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_144	Director Corporate and Shared Services	Facility Maintenance	Renovation of offices	539 576	504 643
CWP_147	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Municipal Public toilets	2 162 524	1 856 163
CWP_149	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Jack Botes Hall	1 300 743	1 300 743
CWP_150	Director Corporate and Shared Services	Facility Maintenance	Refurbishment Aganang Cluster offices	415 524	415 524
CWP_151	Director Corporate and Shared Services	Facility Maintenance	Municipal Furniture and Office Equipment's	286 894	1 982 962
CWP_152	Director Corporate and Shared Services	Facility Maintenance	Fencing of New Council Chamber Precinct Area from VIC to the New Council Chamber	0	0
CWP_153(A)	Director Corporate and Shared Services	Facility Maintenance	Construction of Mankweng Traffic and Licensing Testing Center	3 500 000	2 488 852
<b>Directorate Corporate and Shared Services - ICT</b>					
CWP_154	Director Corporate and Shared Services	Information Communication Technology	Procurement of Laptops, PCs and Peripheral Devices	CRR: 3 190 808; FMG: 326 900; ISDG: 514 720	CRR: 3 240 362 ; FMG: 537 050; ISDG: 579 060
CWP_155	Director Corporate and Shared Services	Information Communication Technology	Implementation of ICT Strategy	0	0
CWP_156	Director Corporate and Shared Services	Information Communication Technology	Network Upgrade	362712	315911
<b>Directorate Corporate and Shared Services - Fleet Management</b>					
CWP_157	Director Corporate and Shared Services	Fleet Management Services	2X security Panel van	0	0
CWP_159	Director Corporate and Shared Services	Fleet Management Services	Acquisition of fleet - Refuse Trucks	9 157 665	2 607 100
<b>Directorate Community Services - Sports and Recreation</b>					
CWP_160	Director Community Services	Sports and Recreation	Grass Cutting equipment's	597 651	880 752
CWP_161	Director Community Services	Sports and Recreation	EXT 44/78 Sports and Recreation Facility	CRR: 5 574 795; IUDG: 6 010 688	CRR: 3 368 244; IUDG: 6 010 688
CWP_162	Director Community Services	Sports and Recreation	Construction of Sebayeng / Dikgale Sport Complex	0	0

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_163	Director Community Services	Sports and Recreation	Upgrading of Mankweng Stadium-roadworks	0	0
CWP_164	Director Community Services	Sports and Recreation	Procurement of fields maintenance equipment's	0	0
CWP_165	Director Community Services	Sports and Recreation	Procurement of Sports Fields Poles and Nets	644 759	544606.83
CWP_167	Director Community Services	Sports and Recreation	Refurbishment of the City Swimming Pool	388620	0
CWP_168	Director Community Services	Sports and Recreation	Refurbishment of the Nirvana Swimming Pool	4 967 146	4 810 742
CWP_169	Director Community Services	Sports and Recreation	Construction of Softball stadium in City Cluster	351 440	351 440
CWP_170	Director Community Services	Sports and Recreation	Molepo Sports Complex	863 588	863 588
CWP_170(A)	Director Community Services	Sports and Recreation	Upgrading of Seshego Stadium	9 739 130	9 366 922
CWP_171	Director Community Services	Cultural Services	Collection development -books	291 902	172 932
<b>Directorate Community Services - Waste Management</b>					
CWP_177	Director Community Services	Waste Management	Extension of landfill site (Weltevreden)	916 565	909 568
CWP_178	Director Community Services	Waste Management	240 litre bins	0	0
CWP_179	Director Community Services	Waste Management	6 & 9 M3 Skip containers	1 304 348	1 291 082
CWP_180	Director Community Services	Waste Management	Ga- Maja transfer station (Planning)	829 163	829163.15
CWP_181	Director Community Services	Waste Management	Ga- Chuene transfer station (Planning)	829745	829744.85
CWP_182	Director Community Services	Waste Management	Molepo Transfer Station	434 783	434 417
CWP_183	Director Community Services	Waste Management	Construction of septic tank at Mankweng transfer station	0	0

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_184	Director Community Services	Waste Management	Purchase of Educational and Awareness equipment	0	0
CWP_185	Director Community Services	Waste Management	No dumping Boards	434 783	434 010
<b>Directorate Community Services - By-Law Enforcement and Security</b>					
CWP_188	Director Community Services	By-Law Enforcement and Security	Installation of CCTV cameras within the City CBD	653 560	653 559
CWP_189	Director Community Services	By-Law Enforcement and Security	Provision two way radios	181 990	181 989
CWP_190	Director Community Services	By-Law Enforcement and Security	Provision of Access Control Systems and equipment	783	0
CWP_191	Director Community Services	By-Law Enforcement and Security	Supply and delivery of mobile guard houses	0	0
CWP_192	Director Community Services	By-Law Enforcement and Security	Purchase of Firearms	0	0
CWP_193	Director Community Services	By-Law Enforcement and Security	CCTV and Access control maintenance tool Kit	83 376	82 340
<b>Directorate Community Services - Disaster Management and Fire Services</b>					
CWP_194	Director Community Services	Disaster Management	Acquisition of fire Equipment	86 049	106 266
CWP_195	Director Community Services	Disaster Management	Miscellaneous equipment and gear / Ancillary equipment	292 642	68 700
CWP_196	Director Community Services	Disaster Management	Hydraulic equipment	1 584 210	1 209 340
CWP_198	Director Community Services	Disaster Management	Multipurpose branches Monitors	0	0
CWP_199	Director Community Services	Disaster Management	Rescue ropes / high angle	585 285	446 390
CWP_201	Director Community Services	Disaster Management	Industrial Fire Fighting portable Pumps	2 466	0
<b>Directorate Community Services - Environmental Management</b>					
CWP_202	Director Community Services	Environmental Management	Refurbishment of Game Reserve facilities	4 969 372	4 133 427
CWP_203	Director Community Services	Environmental Management	Upgrading of municipal nursery	928 922	669 077

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_204	Director Community Services	Environmental Management	Grass cutting equipment's	2 573 696	1 445 472
CWP_205	Director Community Services	Environmental Management	Greening programme	1 024 575	1 019 935
CWP_206	Director Community Services	Environmental Management	Development of a regional parks In Rural Areas	1 010 990	54 468
<b>Directorate Community Services - Traffic and Licensing</b>					
CWP_208	Director Community Services	Traffic and Licensing	Procurement of 2 x equipped mobile Bus	0	0
CWP_209	Director Community Services	Traffic and Licensing	Upgrading of City traffic & licensing centre	6 970 038	3 218 976
CWP_210	Director Community Services	Traffic and Licensing	Container Mankweng Traffic	782 000	679 990

**APPENDIX Q: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR**

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
<b>Directorate Water and Sanitation – Water Services</b>						
CWP_01	Director Water and Sanitation	Water and Sanitation	Olifantspoort RWS (Mmotong wa Perekisi)	10, 16, 36, 37	10 266 272	10 266 272
CWP_02	Director Water and Sanitation	Water and Sanitation	Mothapo RWS	6, 31, 24	28 180 722	28 148 302
CWP_03	Director Water and Sanitation	Water and Sanitation	Moletjie East RWS	15, 36, 38	7 523 213	7 477 195
CWP_04	Director Water and Sanitation	Water and Sanitation	Moletjie North RWS	35	11 327 960	11 327 960
CWP_05	Director Water and Sanitation	Water and Sanitation	Sebayeng/Dikgale RWS	29, 30, 31, 32, 33	5 180 281	5 180 280
CWP_06	Director Water and Sanitation	Water and Sanitation	Moletjie South RWS	9	0	0
CWP_07	Director Water and Sanitation	Water and Sanitation	Houtriver RWS	09; 16, 18, 35	7 438 704	7 438 704
CWP_08	Director Water and Sanitation	Water and Sanitation	Chuene Maja RWS	1, 2	13 899 229	13 796 230
CWP_09	Director Water and Sanitation	Water and Sanitation	Molepo RWS	3, 4	11 363 476	11 363 420
CWP_10	Director Water and Sanitation	Water and Sanitation	Laastehoop RWS	5	1 424 087	1 424 086
CWP_11	Director Water and Sanitation	Water and Sanitation	Mankweng RWS	27, 25, 31, 7, 26	1 160 558	1 160 557

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_12	Director Water and Sanitation	Water and Sanitation	Boyne RWS	4	10 909 338	10 909 336
CWP_13	Director Water and Sanitation	Water and Sanitation	Badimong RWS	28,30, 31, 34	1 479 396	1 479 396
CWP_14	Director Water and Sanitation	Water and Sanitation	Construction of ventilated pit latrines	09, 10, 15, 16, 18, 35, 36, 38, 09, 10, 15, 16, 18, 35, 36, 38	60 000 000	
CWP_15	Director Water and Sanitation	Water and Sanitation	Regional Wastewater Treatment Plant	11, 12, 13, 14, 17, 37, 8,19, 20, 21, 22, 23, 39	RBIG 148 129 433  CRR 62 730 995	RBIG 148 129 433  CRR 62 730 508
CWP_16	Director Water and Sanitation	Water and Sanitation	Polokwane Bulk Water Supply	City , Seshego, Mankweng	6 826 005	9 894 333
CWP_18	Director Water and Sanitation	Water and Sanitation	Aganang RWS (2)	43 & 45	29 209 723	29 209 438
CWP_19	Director Water and Sanitation	Water and Sanitation	Aganang RWS (3) (Ramalapa, Mashamaite, Makgodu, Mars)	40, 41, 42, 43, 44 & 45	16 772 370	15 264 358
CWP_20	Director Water and Sanitation	Water and Sanitation	Bakone RWS (2)	40, 41, 42, 43, 44 & 45	9 443 975	9 444 015
CWP_21	Director Water and Sanitation	Water and Sanitation	Thakgalang Rural Sanitation Phase 1	37	7 459 407	
CWP_22	Director Water and Sanitation	Water and Sanitation	Segwasi RWS	Ward 42	12 386 458	12 389 465

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_23	Director Water and Sanitation	Water and Sanitation	Mashashane Water Works	40	13 431 658	13 721 517
CWP_25	Director Water and Sanitation	Water and Sanitation	Installation of Prepaid Water Meters at Mankweng ward 25 and 26	ward 25 and 26	0	0
<b>Directorate Energy Services - Energy Services</b>						
CWP_26	Director Energy Services	Energy Services: Planning and Development	Installation of Solar Street lights along Zebediela road	Ward 08, 19	1 739 130	0
CWP_27	Director Energy Services	Energy Services: Planning and Development	Installation of street lights along Nelson Mandela Drive from Ext 74 Robots to Seshego Circle Mall (Removed by BRT Project)	Ward 08, 11, 14, 12,17,37, 23	0	0
CWP_29	Director Energy Services	Energy Services: Planning and Development	Installation of High Mast lights) (Rural Areas)	3, 6, 27, 31, and 34	4 032 648	3 013 980
CWP_30	Director Energy Services	Energy Services: Planning and Development	Design the upgrade SCADA and RTU	City	2 103 293	2 103 293
CWP_31	Director Energy Services	Energy Services: Planning and Development	Install New Bakone to IOTA 66KV double circuit GOAT line	11, 12, 13, 14, 17, 37,	5 179 133	3 430 064
CWP_32	Director Energy Services	Energy Services: Planning and Development	Plant and Equipment	municipal wide	125 142	125 029
CWP_33	Director Energy Services	Energy Services: Planning and Development	Design and Construction of New Pietersburg 11kv substation	8, 14, 19	4 399 426	4 420 482



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_34	Director Energy Services	Energy Services: Planning and Development	Design and construction 66KV Distribution substation Matlala	Matlala substation	4 930 146	4 930 063
CWP_35	Director Energy Services	Energy Services: Planning and Development	Design and construct 66kV line between Alpha and Matlala substations	between Alpha and Matlala substations	869 565	869 542
CWP_36	Director Energy Services	Energy Services: Planning and Development	Cherry Pickers x 5	Municipal wide	0	0
CWP_38	Director Energy Services	Energy Services: Planning and Development	Refurbishing of overhead networks in Ivydale	Ward 22	1 304 348	1 241 085
CWP_39	Director Energy Services	Energy Services: Planning and Development	Energy Efficient Demand Side Management	Municipal Wide	3 478 261	3 473 228
CWP_41	Director Energy Services	Energy Services: Planning and Development	Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 2 and phase 3)	13, Seshego Zone 8 Extension 133	15 329 293	15 324 047
CWP_43	Director Energy Services	Energy Services: Planning and Development	Retrofit Street Lights in the Municipal area with Solar lights	Main City Entrances (Landros Mare Street)	0	0
CWP_44	Director Energy Services	Energy Services: Planning and Development	Retrofit high mast lights with Solar lights	Rural Clusters high mast lights	224 348	224 311
CWP_44(A)	Director Energy Services	Energy Services: Planning and Development	Installation of Solar System at the New Peter Mokaba Stadium	New Peter Mokaba Stadium	2 006 731	2 006 731
<b>Directorate Roads and Storm Water</b>						
CWP_45	Director Roads and Storm water	Roads and Transportation Services	Paving of AKI streets in RDP section SDA1 (Luthuli)	14	1 331 630	1 656 858
CWP_47	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Mountain view	4	4 839 728	4 839 728

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_48	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets at Mankgale, Ga-Mokoatedi to D4040 until GaRachidi	4	11 011 306	11 011 304
CWP_50	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access Roads from Ga Thaba in Molepo, Chuene, Maja cluster	2	458735.71	458735.71
CWP_53	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 1	13	7 130 888	7 130 644
CWP_54	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 54th and 58th avenue in Seshego Zone 2	37	4 715 273	4 715 273
CWP_55	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 67th, 78th, 79th and 80th streets in Seshego Zone 3	37	1 733 900	1 733 900
CWP_56	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 57th street in Seshego Zone 4	12	14 414 623	14 456 268
CWP_57	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 5	11	5 235 613	5 235 613
CWP_58	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from the hostel to Oliver Tambo Road in Seshego Zone 6	37	3 313 356	3 313 356
CWP_60	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Damaged Road signage in the City	City Cluster	301 279	0
CWP_61	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Mohlonong to Kalkspruit	40, 42	1396330.39	1396329.55
CWP_62	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Monyoaneng to Lonsdale	45 & 35	4761275.67	4761204.44

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_63	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Moletjie Cluster (ward 35) (Paving of internal street in Ga Rankhuwe)	(ward 35)	4 018 797	4 018 797
CWP_64	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Cluster (Ward 14)	Ward 14	4 230 461	4 232 237
CWP_65	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in SDA1 (Paving of Dwars Street Connecting ext 40 and 78. (Ward 08)	8	3 988 912	3 988 912
CWP_66	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Sebayeng / Dikgale Cluster (Paving of internal street at Madiga) Ward 29)	Ward 29	4 827 022	4 827 022
CWP_67	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Mankweng Cluster (Paving of street in Mothiba tribal office and Paving of internal street from University road to Makanye primary school	(Ward 7 and 24)	1 608 876	1 608 876
CWP_68	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Molepo, Maja Chuene Cluster (Paving of Kopermyn internal road Ga- Maja)	Ward 2	3586844.54	
CWP_69	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Aganang Cluster (Paving of internal street at Ceres)	Ward 45	3 752 936	3 752 936
CWP_70	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Gadikgale (Moshate)	Gadikgale (Moshate)	498 169	498 169
CWP_71	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of streets in Nirvana extension	19	392 922	392 923

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_72	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Non-Motorised Transport Infrastructure in Polokwane	Ward 08, 39, 17, CBD	4 420 174	4 419 569
CWP_75	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Nelson Mandela Bo-okelo, Ditlou Crossing	17	5 235 907	5 235 907
CWP_78	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Cebio and Lemur streets in Westernburg RDP Section (Phase 2)	19	7 072 225	7 072 225
CWP_79	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Street Names Boards	City Cluster, (08, 19, 20,21, 22, 23, 39)	405 945	0
CWP_80	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access road in Ga Makgoba	33	3542962.87	3534983.44
CWP_81	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Nobody Traffic circle to Moshate Mothapo	Ward 05, 06, 07, and 27	763301.6	763301.6
CWP_82	Director Roads and Storm water	Public Transport Infrastructure Development	Completion of road from Phomolong to Makgwareng	7	819871	819870.43
CWP_83	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Spitzkop to Segwasi	34	5858902.12	5858902.12
CWP_84	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Titibe to Marobala and Makgoba	33	1000000	999086.36
CWP_85	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Boshega to Tshebela to Boyne Road	3	0	0
CWP_86	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Silicon to Matobole	2	3927558.26	3927554.95

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_87	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Maja Moshate to Feke ]	2	668393.04	668393.04
CWP_88	Director Roads and Storm water	Public Transport Infrastructure Development	Installation of Traffic Lights Within City CBD	City CBD Seshego Mankweng	2 395 423	2 239 827
CWP_88(A)	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Road in Seshego Treatment Plant	12	5710194.71	5710194.71
CWP_88(B)	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Road in Molepo Dam	4	5634729.44	5634729.44
CWP_90	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	16	6263643.27	6203904.07
CWP_91	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of road in ga Thoka from reservoir to Makanye 4034	27	2035944.97	2035944.98
CWP_92	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	30	920608.81	920608.81
CWP_93	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from Solomondale to D3997 (ward 32)	32	2 194 000	2 190 066
CWP_94	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	34	792698.29	776751.13
CWP_95	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)	36	860 074	860 074
CWP_96	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road (ward 38)	38	6 751 620	6 751 619

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_97	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Internal Street in Ga Ujane to D3363 (ward 40)	40	4347331.05	4318237.32
CWP_98	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	41	5219034	5218959.79
CWP_99	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	42	334000	333411.8
CWP_100	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	43	1070184.31	1066662.34
CWP_101	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of storm water system in municipal area (Vukuphile)	Municipal area	190 213	190 213
CWP_102	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm Water in Ga Semenya	38	417 515	417 515
CWP_103	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	12	0	0
CWP_104	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm water Canal in Seshego	17	8 161 899	8 161 899
CWP_105	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water in Seshego	Ward 11,13	291 902	291 902
CWP_106	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of storm water in Polokwane ext. 76	8	1 767 724	1 767 724
CWP_107	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna Park	20,21	342 458	342 458
<b>Directorate Transportation Services</b>						

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_117	Director Transportation Services	Public Transport Infrastructure Development	Upgrad & constr of Trunk route WP1	8, 11, 13, 17, 19, 22, 23 & 39	2 708 601	2 092 375
CWP_118	Director Transportation Services	Public Transport Infrastructure Development	widening of Sandriver bridge (trunk	City	8 130 435	5 057 659
CWP_119	Director Transportation Services	Public Transport Infrastructure Development	Refurbishment of daytime layover facility	City	3 478 261	2 164 173
CWP_120		Public Transport Infrastructure Development	Construction of Bus station upper structure (general Joubert str)	City	19 694 782	19 678 424
CWP_121	Director Transportation Services	Public Transport Infrastructure Development	Upgrade of transit mall	City	2 304 348	2 056 908
CWP_122	Director Transportation Services	Public Transport Infrastructure Development	Ditlou intersection	Ward no 13 &17	3 043 478	3 043 478
CWP_123	Director Transportation Services	Public Transport Infrastructure Development	Construction of bus depot Civil works WP3	11 Seshego	13 043 478	12 623 342
CWP_126	Director Transportation Services	Public Transport Infrastructure Development	Construction & provision of Bus Depot Upper structure in Seshego	11	1 304 347	381 345
CWP_130	Director Transportation Services	Public Transport Infrastructure Development	Control Centre	20	2 782 609	496 431
CWP_131	Director Transportation Services	Director Roads and Transportation Services	Updating of Technical Operational Plan	All wards	Opex	Opex
CWP_132	Director Transportation Services	Director Roads and Transportation Services	Updating of Business & Financial Plan	All wards	Opex	Opex
CWP_133	Director Transportation Services	Public Transport Regulation and Monitoring	Implementation of Marketing, Communications Strategy & Stakeholder Engagements	All wards	Opex	Opex

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_134	Director Transportation Services	Public Transport Regulation and Monitoring	Leeto la Polokwane Phase 1A Marketing, Promotion	All Wards	Opex	Opex
CWP_135	Director Transportation Services	Public Transport Infrastructure Development	Undertaking of Industry Transition	All wards	Opex	Opex
<b>Directorate Planning and Economic Development</b>						
CWP_136	Director Planning and Economic Development	Economic Development and Tourism	Township establishment at portion 151-160 of the Farm Sterkloop 688 LS. (Kingdom Park)	Ward 08 (next to extension 44)	776 252	776 252
CWP_137	Director Planning and Economic Development	Economic Development and Tourism	Implementation of the ICM program (IUDF) Precinct Plan	Ward 06 PDA 1	60 435	60 435
CWP_138	Director Planning and Economic Development	Economic Development and Tourism	Township Establishment for the Eco-estate at Game Reserve	Ward 20 Urban edge development	920 076	0
CWP_141	Director Planning and Economic Development	Economic Development and Tourism	Provision of short term engineering services for Bakone Malapa	Ward 06	CRR: 8 000 000; IUDG: 7 561 437	CRR: 8 000 000; IUDG: 7 561 437
<b>Directorate Corporate and Shared Services - Facilities Management</b>						
CWP_143	Director Corporate and Shared Services	Facility Maintenance	Civic Centre refurbishment	39	787 637	787 637
CWP_144	Director Corporate and Shared Services	Facility Maintenance	Renovation of offices	Municipal Wide	539 576	504 643
CWP_147	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Municipal Public toilets		2 162 524	1 856 163
CWP_149	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Jack Botes Hall	39	1 300 743	1 300 743
CWP_150	Director Corporate and Shared Services	Facility Maintenance	Refurbishment Aganang Cluster offices	Aganang Cluster	415 524	415 524
CWP_151	Director Corporate and Shared Services	Facility Maintenance	Municipal Furniture and Office Equipment's	Municipal Wide	286 894	1 982 962
CWP_152	Director Corporate and Shared Services	Facility Maintenance	Fencing of New Council Chamber Precinct Area from VIC to the New Council Chamber	City CBD	0	0
CWP_153(A)	Director Corporate and Shared Services	Facility Maintenance	Construction of Mankweng Traffic and Licensing Testing Center	Mankweng Cluster	3 500 000	2 488 852



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
<b>Directorate Corporate and Shared Services - ICT</b>						
CWP_154	Director Corporate and Shared Services	Information Communication Technology	Procurement of Laptops, PCs and Peripheral Devices	All Wards	CRR: 3 190 808; FMG: 326 900; ISDG: 514 720	CRR: 3 240 362 ; FMG: 537 050; ISDG: 579 060
CWP_155	Director Corporate and Shared Services	Information Communication Technology	Implementation of ICT Strategy	All Wards	0	0
CWP_156	Director Corporate and Shared Services	Information Communication Technology	Network Upgrade	All Wards	362712	315911
<b>Directorate Corporate and Shared Services - Fleet Management</b>						
CWP_157	Director Corporate and Shared Services	Fleet Management Services	2X security Panel van	All Wards	0	0
CWP_159	Director Corporate and Shared Services	Fleet Management Services	Acquisition of fleet - Refuse Trucks	All Wards	9 157 665	2 607 100
<b>Directorate Community Services - Sports and Recreation</b>						
CWP_160	Director Community Services	Sports and Recreation	Grass Cutting equipment's	Municipal Wide	597 651	880 752
CWP_161	Director Community Services	Sports and Recreation	EXT 44/78 Sports and Recreation Facility	8	CRR 5 574 795 IUDG 6 010 688	3 368 244  6 010 688
CWP_162	Director Community Services	Sports and Recreation	Construction of Sebayeng / Dikgale Sport Complex	Sebayeng / Dikgale Cluster (24,29,32, 30, 31, 33)	0	0
CWP_163	Director Community Services	Sports and Recreation	Upgrading of Mankweng Stadium-roadworks	25	0	0
CWP_164	Director Community Services	Sports and Recreation	Procurement of fields maintenance equipment's	Municipal Wide	0	0
CWP_165		Sports and Recreation	Procurement of Sports Fields Poles and Nets	Municipal Wide	644 759	544606.83

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
	Director Community Services					
CWP_167	Director Community Services	Sports and Recreation	Refurbishment of the City Swimming Pool	City CBD	388620	0
CWP_168	Director Community Services	Sports and Recreation	Refurbishment of the Nirvana Swimming Pool	19	4 967 146	4 810 742
CWP_169	Director Community Services	Sports and Recreation	Construction of Softball stadium in City Cluster	City Cluster	351 440	351 440
CWP_170	Director Community Services	Sports and Recreation	Molepo Sports Complex	1, 2, 3, 4, 5	863 588	863 588
CWP_170(A)	Director Community Services	Sports and Recreation	Upgrading of Seshego Stadium	13	9 739 130	9 366 922
CWP_171	Director Community Services	Cultural Services	Collection development -books	All wards	291 902	172 932
<b>Directorate Community Services - Waste Management</b>						
CWP_177	Director Community Services	Waste Management	Extension of landfill site (Weltevreden)	All wards	916 565	909 568
CWP_178	Director Community Services	Waste Management	240 litre bins	All wards	0	0
CWP_179	Director Community Services	Waste Management	6 & 9 M3 Skip containers	All wards	1 304 348	1 291 082
CWP_180	Director Community Services	Waste Management	Ga- Maja transfer station (Planning)	2	829 163	829163.15
CWP_181	Director Community Services	Waste Management	Ga- Chuene transfer station (Planning)	1	829745	829744.85
CWP_182	Director Community Services	Waste Management	Molepo Transfer Station	1, 2, 3, 4, 5	434 783	434 417

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_183	Director Community Services	Waste Management	Construction of septic tank at Mankweng transfer station	Mankweng Cluster	0	0
CWP_184	Director Community Services	Waste Management	Purchase of Educational and Awareness equipment	20, 25	0	0
CWP_185	Director Community Services	Waste Management	No dumping Boards	All wards	434 783	434 010
<b>Directorate Community Services - By-Law Enforcement and Security</b>						
CWP_188	Director Community Services	By-Law Enforcement and Security	Installation of CCTV cameras within the City CBD	39	653 560	653 559
CWP_189	Director Community Services	By-Law Enforcement and Security	Provision two way radios	All Clusters	181 990	181 989
CWP_190	Director Community Services	By-Law Enforcement and Security	Provision of Access Control Systems and equipment	All Clusters	783	0
CWP_191	Director Community Services	By-Law Enforcement and Security	Supply and delivery of mobile guard houses	All Clusters	0	0
CWP_192	Director Community Services	By-Law Enforcement and Security	Purchase of Firearms	All wards	0	0
CWP_193	Director Community Services	By-Law Enforcement and Security	CCTV and Access control maintenance tool Kit	All wards	83 376	82 340
<b>Directorate Community Services - Disaster Management and Fire Services</b>						
CWP_194	Director Community Services	Disaster Management	Acquisition of fire Equipment	23	86 049	106 266
CWP_195	Director Community Services	Disaster Management	Miscellaneous equipment and gear / Ancillary equipment	23	292 642	68 700
CWP_196	Director Community Services	Disaster Management	Hydraulic equipment	23	1 584 210	1 209 340

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Ward/Area	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024
CWP_198	Director Community Services	Disaster Management	Multipurpose branches Monitors	23	0	0
CWP_199	Director Community Services	Disaster Management	Rescue ropes / high angle	23	585 285	446 390
CWP_201	Director Community Services	Disaster Management	Industrial Fire Fighting portable Pumps	23	2 466	0
<b>Directorate Community Services - Environmental Management</b>						
CWP_202	Director Community Services	Environmental Management	Refurbishment of Game Reserve facilities	20	4 969 372	4 133 427
CWP_203	Director Community Services	Environmental Management	Upgrading of municipal nursery	City	928 922	669 077
CWP_204	Director Community Services	Environmental Management	Grass cutting equipment's	Municipal Wide	2 573 696	1 445 472
CWP_205	Director Community Services	Environmental Management	Greening programme	Municipal wide	1 024 575	1 019 935
CWP_206	Director Community Services	Environmental Management	Development of a regional parks In Rural Areas	Municipal wide	1 010 990	54 468
<b>Directorate Community Services - Traffic and Licensing</b>						
CWP_208	Director Community Services	Traffic and Licensing	Procurement of 2 x equipped mobile Bus	Municipal wide	0	0
CWP_209	Director Community Services	Traffic and Licensing	Upgrading of City traffic & licensing centre	Ladanna	6 970 038	3 218 976
CWP_210	Director Community Services	Traffic and Licensing	Container Mankweng Traffic	Mankweng Cluster	782 000	679 990

## APPENDIX R: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

### Water Supply to schools

Description	Polokwane Municipality
Total number of schools	310
Number of schools supplied with water	254
Number of schools remain to be serviced. <b>Currently they have boreholes in the schools</b>	56

Source: PLK Water and Sanitation SBU

### Sanitation in Schools

Description	Polokwane Municipality
Total number of schools	310
Number of schools supplied with sanitation	296
Number of schools remaining to be serviced with Sanitation	14

Source: PLK Water and Sanitation SBU

### Clinics Facilities Analysis

To optimize the delivery of quality health care services to the community of Polokwane, the provision of health services is fairly covering the communities. There are 40 clinics and 1 health care centre found in the municipal area. Most of the clinics operates 24 hours and are fairly equipped with all necessary infrastructures. The municipality also harbours a provincial hospital, 1 District hospital and 2 tertiary hospitals.

### Regional Hospitals in the City of Polokwane

The following are the Major Hospitals in City of Polokwane

1. Polokwane Hospital
2. Mankweng Hospital in Mankweng township (30 km east of Polokwane)
3. Pholoso Netcare Hospital (next to savannah Mall)
4. Seshego District Hospital (10 km out of Polokwane City)
5. Knobel Hospital in Aganang Cluster (60 km Northwest of Polokwane.)
6. Med clinic Limpopo (Polokwane)
7. Rethabile Health Centre in Polokwane City
8. **40 clinics** associated with all the above hospitals

**APPENDIX S: LISTING ALL MONTHLY MFMA S71 BUDGET STATEMENTS NOT SUBMITTED IN TIME**

None

**APPENDIX T: POWERS AND FUNCTIONS NOT COVERED IN THE ANNUAL REPORT**

None.

**APPENDIX U: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY**

None

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

None

**APPENDIX W: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT**

None

**APPENDIX X: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER S71 OF THE MAFMA**

None

**ANNUAL PERFORMANCE REPORT**



**01 JULY 2023– 30 JUNE 2024**

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## **SECTION A**

### **EXECUTIVE MAYOR'S FOREWORD**

Local Government: Municipal Systems Act, 32 of 2000, Section 46 (1) and (2) stipulates that municipalities must prepare the performance report for each year that reflect the municipality and each service provider's performance during the financial year. This 2023/24 Annual Performance Report of Polokwane Municipality is prepared in line with the provisions of section 46 of the Municipal Systems Act as stated above. It is worth noting that during the 2023/24 financial year, Statistics South Africa released the 2022 census results. Accordingly, the population of Polokwane has grown from 532 670 in 1996 as reported by Stats SA 1996 to 843 459 in 2022. Thus, our City is growing through leaps and bounds. We have acknowledged that this growth must not be negatively construed as presenting threats. Instead, with every phenomenon comes not only challenges but also opportunities. The Census results of 2022 revealed that 87.2 percent of our residents have access to electricity, 90.4 percent have access to some form of housing and 72 percent have access to water. This service delivery progress highlights our resolve to achieve universal access to all basic services by our communities.

Water provision remains a challenge in our municipality as much as the interventions that we have put in place are yielding positive results. We are pleased to announce that the Seshego Treatment Works testing was completed in March 2023 and the plant is supplying water to Seshego reservoir. The treatment plant provides additional 10 Ml/day to the Seshego reservoir. Roads and Storm water in the 2023/2024 financial year, the Municipality focussed on upgrading from gravel to surfacing and paving of strategic roads in various clusters. All the 45 wards benefited in the upgrading of the roads. We have also taken into cognizance areas prone to flash and localised floods during rainy seasons by addressing the storm-water challenges through a phase-in approach.

Human Settlement and housing provision the Department of Cooperative Governance, Human Settlement and Traditional Affairs accorded Polokwane Municipality the Level Two Housing Accreditation status on 01 February 2024. The signing of the Implementation Protocol (IP), which is an agreement that formalizes the delegation of Housing functions to the Municipality, elevated us from level 1 to level 2 housing accreditation.

In order to improve the efficiency of our governance system, in October 2023 council approved the implementation of the Separation of Powers Governance Model. We have established the Legislative Arm of Council comprising of new Portfolio Committees chaired by non-executive Councillors. These Committees play oversight on the work of the Members of the Mayoral Committee and the Administration, thereby promoting accountability and efficiency. The Committees also promote public participation in the affairs of the Municipality and spearhead our legislative function.

Municipality remains committed to the significant reduction of our waste collection backlogs, especially in rural areas. Accordingly, in 2023/24 we have embarked on a programme to construct rural transfer stations and lessen the distance between the serviced areas and the main landfill site. Furthermore, we have obtained the operating license for the extension of the Weltevreden landfill site from LEDET to construct additional cells which will commence in the next financial year.

Section 152 of the Constitution of South Africa compels us to protect our environment. Further, the effects of climate change in South Africa which results in increased carbon dioxide emissions into the atmosphere can no longer be ignored. In 2023/24 financial year, the Municipality managed to plant 12000. In September 2023, the Municipality was awarded the National Arbor City Award winner for being the best in the country in tree planting and open space management. In February 2024, the Municipality again won both the District and the Provincial Greenest Municipal Competition.

This points to tangible progress that has been achieved, though we acknowledge the backlogs, especially in relation to sanitation and waste management. We are diligently addressing these backlogs and are here to report back on progress.

I hereby present the Annual Performance Report of Polokwane Municipality for the 2023/24 financial year.

**CLLR JOHN MPE**  
**EXECUTIVE MAYOR**

## **MUNICIPAL MANAGER'S OVERVIEW**

This Annual Performance Report of Polokwane Municipality has been compiled as part of complying with legislation. Local Government: Municipal Systems Act, 32 of 2000, Section 46 (1) and (2) stipulates that municipalities must prepare the performance report for each year that reflect the municipality and each service provider's performance during the financial year. Furthermore, section 121 (2) (c) of the Local Government: Municipal Finance Management Act further states that the annual performance report should form part of the municipality's annual report. Accordingly, this 2023/24 Annual Performance Report has been prepared in line with the provisions of the Municipal Systems Act and the Municipal Finance Management Act.

This 2023/24 Annual Performance Report outlines the performance of the municipality as part of achieving the developmental mandate, municipal objectives and priorities set in the Integrated Development Plan (IDP). It reflects comparison of performance with targets set for the year under review and performances in the previous financial year.

The 2023/24 Annual Performance Report allows the municipal administration to reflect on our performance in terms of successes and challenges faced. We have seen an improvement in the percentage of municipal performance per key performance area as compared to the report of the 2022/23 Annual Report that we presented in the previous financial year. The performance comparison is presented in this report. However, it is important to note that on Municipal Transformation, we registered a 100% performance, Basic Service Delivery we registered 62%, LED we registered 80%, Financial Viability is at 73% and lastly Good Governance is at 86%.

The municipality was able to extend provision of services to 1277 household on electricity provision. A further 1704 VIP sanitation structures was completed in the 2023/24 and further access to 3109 households received water provision. Our extension of rural waste management programme experienced delay in the completion of rural transfer stations as a results we did not achieve our target of extending the services to 8 new rural areas. The rural transfer stations will be completed in the 2024/25 financial year.

Good corporate governance remains a key aspect of this administration and as such all our governance structures were functional in the 2023/24 financial year. Executive Management was meeting every Monday to process management and council issues. The oversight component of the municipal was functional and effective. A special mention of the Performance Audit and Audit Committee for your advice and guidance during the 2023/24.

As we conclude, we appreciate our employees and the political component for their contribution towards achieving the set targets in the 2023/24 financial year. We commit to double our efforts and improve our performance in the 2024/25 financial year.

**MS. THUSO NEMUGUMONI**

**MUNICIPAL MANAGER**

## 1. Introduction

Section 46 (1) and (2) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities to prepare for each year a performance report reflecting, the performance of the municipality and each service provider during the financial year. The annual performance report must reflect a comparison of performance with targets set for the year under review and performances in the previous financial year. Section 121 (2) (c) of the Local Government: Municipal Finance Management Act further states that the annual performance report should form part of the municipal's annual report. Polokwane Municipality's 2023/24 Annual Performance Report has been prepared in line with the provisions of the Municipal Systems Act and the Municipal Finance Management Act.

The Executive Mayor of Polokwane Municipality, Councillor MJM Mpe approved the 2023/24 Service Delivery and Budget Implementation Plan (SDBIP) in June 2023 in line with the provisions of the MFMA. The 2023/24 SDBIP detailed the municipal plans for implementation in 2023/24 financial year in a form of performance targets for indicators, project milestone and project outputs. The SDBIP translated the municipal's priorities and objectives into implementation programmes with direct budget allocated to each programme.

The Executive Mayor, Cllr MJ Mpe tabled the 2023/24 Adjusted SDBIP to council in February 2024. The SDBIP Adjustment was necessitated by the 2023/24 Mid-Year Budget and Performance Assessment Report that was tabled in council in January 2024. The 2023/24 Mid-Year Budget and Performance Assessment Report recommended a downward budget adjustment. The downward budget adjustments necessitated the review of performance targets, mostly projects. A detailed report was submitted to council listing all the budget changes which needed council to approve and further adjust the SDBIP to be in line with the 2023/24 Adjusted Budget. Furthermore, another budget adjustment was tabled in council in April 2023. The second adjustment was necessitated by the additional allocation of R66m. The 2023/24 Adjusted SBIP was implemented from the Third Quarter performance reporting of the 2023/24 financial year. Further, the 2023/24 Adjusted SDBIP was used to compile this 2023/24 Annual Performance Report.

## **2. Polokwane Municipality Performance Management Process**

Section 38 (a) of the Local Government: Municipal Systems Act 32 of 2000 requires municipalities to establish a performance management system that is commensurate with its resources and best suited to its circumstances. Polokwane Municipality adopted a PMS Framework in 2011. The Framework guides how performance management system is undertaken and prescribes the development of the PMS policy to ensure the implementation of the Framework. PMS Policy was developed and adopted by Council in June 2014. The PMS Policy is reviewed annually as part of the budget related policies and latest review was approved by Council in May 2023. The 2023 PMS Policy review did not bring any new changes into the policy. The PMS Policy of Polokwane Municipality makes provision for quarterly reporting of performance information. Reporting is done on a web based system called Action Assist Performance Reporting System. The municipality started using the Action Assist System from the 1<sup>st</sup> July 2019. The Action Assist Performance Management System allows all nine directorates of the municipality to do performance monitoring and reporting. The process involves access to the web-based system for inputting performance information, uploading of portfolio of evidence and retrieval of performance reports on quarterly basis.

The Directorate Strategic Planning, Monitoring and Evaluation is responsible for managing the institutional performance reporting in the municipality. After the end of each quarter, the directorate issues a formal communication to all the users of the system with timeframes for reporting in the System. The system has a time period of 10 days for directorates to be allowed to input their information in the system and upload their portfolio of evidence. Strategic Business Unit Managers are responsible for performance collation, management, storage and inputting into the Action Assist System. Senior Managers are responsible for reviewing the reported information and signing-off of the reported information. Further, Internal Audit is responsible for auditing the performance information, the auditing happens in the Action Assist System. After the 10 days, the system locks off and no reporting can be done once the system has locked off. Internal Audit is allowed access to audit the performance information and to verify the uploaded portfolio of evidence. Once the audit process has been concluded a report is issued and the report is processed to Council through the Portfolio Committee Governance and Administration.

### **3. Auditor-General's issues raised in the 2022/23 Annual Report and Management's corrective measures**

Section 46 (c) of the Local Government: Municipal Systems Act states that the municipality for each financial year must reflect the measures take to improve performance. The 2022/23 Report issued by the office of the Auditor-General highlighted issues that need to be corrected by management of Polokwane Municipality. The issues included compliance to legislation, internal controls and governance related issues. Management of Polokwane Municipality developed an Audit Action Plan to address the issues raised in the Auditor-General's Report. The Audit Action Plan was submitted to Auditor-General for their comments on the measures that management were putting in place to address the issues raised and comments were received from the Auditor-General's office. This was done to ensure that management measures are adequate to correct the issues raised.

Management implemented the 2022/23 AG Action Plan. Coordination and the monitoring of the Action Plan were done through the office of the Chief Financial Officer and Internal Audit. In terms of providing oversight to the process, the Mayoral Committee Chairpersons, MMC for Finance was part of the weekly OPCA meetings.

The table below presents the issues raised by the Auditor-General during the 2023/24 financial year and the management corrective actions.

Implementation of Audit Action Plan	No of Findings		
	Matters Affecting the Audit Report	Other Important Matters	Total
Not Yet Started	0	1	1
In Progress	4	56	60
Completed	1	6	7
Agreed Findings Addressed	2	29	31
<b>Total</b>	<b>7</b>	<b>92</b>	<b>99</b>
<b>%</b>			<b>84%</b>

The total number of issues raised by AG in the 2022-23 audit report was 99. The breakdown of the findings is 7 audit issues affecting the audit report and 92 other matters. A total of 84 audit findings were addressed, which translates into 84%

#### 4. Summary of Municipal Performance for 2023/24 Financial Year

Performance Indicator Target Achieved	
Performance Indicator Target Not Achieved	

No	Key Performance Area	Number of Indicators Not Achieved 2020-21FY	Number of Planned Indicators 2021-22 FY	Number of Indicators Achieved 2021-22FY	Number of Indicators Not Achieved 2021-22FY	Number of Planned Indicators 2022-23 FY	Number of Indicators Achieved 2022-23 FY	Number of Indicators Not Achieved 2022-23 FY	Number of Planned Indicators 2023-24 FY	Number of Indicators Achieved 2023-24 FY	Number of Indicators Not Achieved 2023-24 FY
1	Municipal Transformation and Institutional Development	3 (50%)	6	4 (66%)	2 (44%)	6	4 (66%)	2 (34%)	05	05 (100%)	0
2	Basic Services Delivery	8 (64%)	16	7 (43%)	9 (57%)	10	5 (50%)	5 (50%)	21	13 (62%)	08 (38%)
3	Local Economic Development	2 (33%)	6	5 (83%)	1 (17%)	6	3 (50%)	3 (50%)	05	04 (80%)	01 (20%)
4	Financial Viability	4 (36%)	10	9 (90%)	1 (10%)	10	7 (70%)	3 (30%)	22	16 (73%)	06 (17%)
5	Good Governance and Public Participation	6 (23%)	27	21 (77%)	6 (23%)	29	25 (83%)	4 (17%)	29	25 (86%)	04 (14%)
6	Capital Works Plan (CWP)	-	-	-	-	-	-	-	166	100 (60%)	66 (40%)



SECTION B

5. Detailed Institutional Performance Results for 2023/24 Financial Year per Key Performance Areas

5.1 Basic Service Delivery

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
<b>Basic Service Delivery</b>												
BSD_TL01	Director Energy Services	Number of new substations built by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way	Energy Services: Planning and Development	0	Number	0.25	1	1	None	None	Completion certificate, council resolution, budget adjustment, payment certificate, Hand over certificate
BSD_TL03	Director Energy Services	Increase percentage of Households with access to electrification by 0.50% (1247 hh) by the 30 June 2024	To ensure provision of basic and environmental services in a sustainable way	Energy Services: Planning and Development	0.24%	Percent	0.5% (1247 hh)	-	0.51% (1277 hh) Urban = 236 Boikhutsong = 900 Ext 40 = 141	The challenge of property owners who rents let their properties. Only property owners must provide details and sign for the connection of electricity.	Only property owners who are available must be included in the beneficiary list to ensure that connections are not hampered by non-availability of property owners..	Letter indicating houses to be energised, practical completion at Moremadi, minutes of meetings, progress report, payment certificates. Annual Report for urban households.
BSD_TL04	Director Water and Sanitation	Increase percentage of Households with access to sanitation by 1.75% (4365 hh) by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way	Sanitation	0.07%	Percent	1.75% (4365 hh)	-	0.68% (1704 hh) Urban = 140 Thakgalang = 825 Ward 30 = 371 Ward 31 = 368	Contractors failed to achieve the targets due to poor performance, excessive hard rock, and social issues.	The Contractors are on terms and have submitted catch up plans to complete the remaining structures by end of Oct 2024.	Progress reports, Completion certificates, Happy letters, Letter of penalties, Beneficiary list and List of urban connections.

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
BSD_TL05	Director Water and Sanitation	Increase percentage of Households with access to Water by 0.40 % (997 hh) by the 30 June 2024	To ensure provision of basic and environmental services in a sustainable way	Water Supply and Reticulation	0.85%	Percent	0.40 % (997 hh)	-	1.25% (3109 hh) Urban = 140 Houtriver = 374 Mahoai = 850 Makgodu = 56 MARS = 82 Mashamaite = 496 Mashashane = 623 Molepo = 178 Molepje North = 310	None	None	Completion certificate and urban water connections
BSD_TL06	Director Roads and Stormwater	Km of roads upgraded from gravel to tar by 30 June 2024	Promotion of economic growth, job creation and Sustainable human settlements	Roads and storm water	10.52km	Km	15km	-	6.18 km	Most projects started in the third quarter. The 15km target was an over commitment given the late start of the projects.	The target will be achieved in the next financial year.  Most of the projects will start in the first quarter.	Practical completion certificates and completion certificates
BSD_TL07	Director Community Services	Number of Health (Food premises and outlets) Inspections conducted by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way to our communities	Environmental Management	1 648	Number	1540	-	1742	None	None	Food premises inspection reports.
BSD_TL08	Director Community Services	Number of new rural villages supplied with weekly waste removal services by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way	Waste Management	New	Number	8	-	0	Shortage of trucks to cover rural villages	Collection in the new rural villages is collected bi-monthly. Provision for 2 additional waste compactor trucks is for 2024/25 FY.	Schedule of waste collection and job cards
BSD_TL09	Director Community Services	Increase Percent of Households with access to waste removal services by 0.10% (249 hh)	To ensure provision of basic and environmental services in a sustainable	Waste Management	0.16%	Percent	0.10% (249 hh)	-	0.17% (424 hh) Urban = 260 Ext 78 = 15 Zone 5 = 20 Ext 40 = 24 Ext 133 = 105	None	None	Occupation certificates

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
		by the 30 June 2024	way to our communities									
BSD_TL10	Director Community Services	Number of Disaster Management Plan Reviewed (Annual review) by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way to our communities	Disaster Management and Fire Services	0	Number	1	-	1	None	None	Council resolution on the Disaster Management Plan
BSD_TL11	Director Community Services	Km fire break re-blading conducted by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way to our communities	Disaster Management and Fire Services	2512,47 km	Km	2 100km	-	2100km	None	None	List of farms and invoices
BSD_TL12	Director Transportation Services	Km of Trunk route constructed by 30 June 2024	Promotion of economic growth, job creation and Sustainable human settlements	Transport, Roads and Stormwater	0	Km	1km	-	0km	The construction of the Trunk route is dependent on the completion of the Sand River bridge which is not complete.	The project will be implemented in 2025/26 financial year as the bridge shall be completed within the 2024/25 FY	N/A
BSD_TL13	Director Community Services	Number of Fire Services Inspections conducted by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way to our communities	Disaster Management and Fire Services	New	Number	-	988	1530	None	None	Fire Inspection Reports
BSD_TL14	Director Community Services	Percentage of cemeteries maintained by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way to our communities	Environmental Management	New	Percentage	-	100%	100%	None	None	Approved Maintenance Plans and Maintenance Reports

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
BSD_TL15	Director Planning and Economic Development	% of building plans received and assessed within 60 working days from receipt of application	To ensure provision of basic and environmental services in a sustainable way to our communities	Building Inspections	New	Percentage	-	100%	69.90%	Delays were contributed by manual processing of the applications	An electronic system for building plan applications has been put in place and will alleviate the delays caused by manual processes.  The system will be launched 30 August 2024 and to be implemented as of September 2024	Copies of Quarterly reports and Copies of list of Contravention notices issues
BSD_TL16	Director Planning and Economic Development	% of occupation certificate application received and finalised within 30 days		Building Inspections	New	Percentage	-	100%	63.70%	Delays were contributed by manual processing of the applications	An electronic system for building plan applications has been put in place and will alleviate the delays caused by manual processes.  The system will be launched 30 August 2024 and to be implemented as of September 2024	Copies of Quarterly reports and Copies of list of Occupation Certificate Application received ad approved
BSD_TL17	Director Planning and Economic Development	% of illegal land use/ Outdoor advertising reported and served with notices by 30 June each year	To ensure provision of basic and environmental services in a sustainable way to our communities	Land Use Management	New	Percentage	-	100%	100%	None	None	Copies of Quarterly reports and Copies of list of Contravention notices issues
BSD_TL18	Director Community Services	Percentage maintenance of municipal parks	To ensure provision of basic and environmental	Environmental Management	New	Percentage	-	100%	100%	None	None	Approved Maintenance Plan and

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
		by 30 June 2024	services in a sustainable way to our communities									Maintenance Reports
BSD_TL19	Director Community Services	Number of by-law operations conducted to address public nuisance by 30 June 2024	To ensure provision of basic and environmental services in a sustainable way to our communities	By-Law Enforcement	New	Number	-	4	5	None	None	By-Law Enforcement Reports.
BSD_TL20	Director Community Services	Percentage maintenance of municipal local sports facilities	To ensure provision of basic and environmental services in a sustainable way to our communities	Sports and Recreation	New	Percentage	-	100%	100%	None	None	Approved Monthly Maintenance Plans
BSD_TL21	Director Water and Sanitation	Percentage reduction of water losses by 30 June 2024	Increased access to municipal services to all households	Water Supply and Reticulation	32%	Percentage	-	30%	24%	None	Promote passive leak detection.	Water Balance Report submitted to Department of Water and Sanitation dated.
BSD_TL22	Director Energy Services	Percentage reduction of electricity losses by 30 June 2024	Increased access to municipal services to all households	Energy Services	12%	Percentage	-	10%	12.22%	This was as a result of technical losses	Regular monitoring of by-passed meters and also addressing technical losses with our infrastructure. The tolerance range for losses is between 5-12% with NERSA.	Payment to Eskom, purchasing records and sales to consumers.

## 5.2 Local Economic Development

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original Annual SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
<b>Local Economic Development</b>												
LED_TL01	Director Planning and Economic Development	Number of training sessions conducted for Street Traders by 30 June every year	Promotion of economic growth, job creation and Sustainable human settlement	LED	2	Number	7	-	17	None	None	Attendance Register, Reports and Pictures
LED_TL02	Director Strategic Planning, Monitoring and Evaluation	Number of job opportunities created through EPWP by 30 June 2024 (Temporary job opportunities)	Promotion of economic growth, job creation and sustainable human settlements	LED	560	Number	3 665	-	3284	Projects under roads that were appointed in the fourth quarter, which caused delays in the recruitment of EPWP Workers.	The roads that were appointed in the fourth quarter are in construction and recruitment was done.	List of projects and job opportunities
LED_TL03	Director Planning and Economic Development	Number of exhibition / Flee Markets facilitated by the municipality by 30 June each year	Promotion of economic growth, job creation and Sustainable human settlement	LED	19	Number	12	-	23	None	None	Pictures, feedback reports and attendance registers.
LED_TL04	Director Planning and Economic Development	Number of tourism and investment promotion trade shows held by 30 June each year	Promotion of economic growth, job creation and Sustainable human settlement	LED	19	Number	8	-	20	None	None	Feedback report, Visitors comments, pictures and official attendance registers.

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original Annual SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
LED_TL05	Director Planning and Economic Development	Number of job opportunities created through Municipal sponsored trading. (Respond: Traders trade at events during soccer matches and festivals for economic beneficiation)	Promotion of economic growth, job creation and Sustainable human settlement	LED	136	Number	12	170	226	None	None	Attendance Register, Reports and Pictures

5.3 Good Governance and Public Participation

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBP Annual Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
<b>Good Governance and Public Participation</b>												
GGPP_TL01 (A)	Director Planning and Economic Development	Draft Status Quo Analysis Report Published for Comments and Inputs before the 30 September each Financial year	To ensure community confidence in the system of local government	IDP	30 <sup>th</sup> September 2022	Date	30 <sup>th</sup> September 2023	-	14-Sep-23	None	None	Copy of Draft Status Quo Analysis, Newspaper advert
GGPP_TL01 (B)	Director Planning and Economic Development	Draft Projects Report Published for Comments and Inputs before the 31 March each Financial year	To ensure community confidence in the system of local government	IDP	31-Mar-23	Date	31-Mar-24	-	14-Mar-24	None	None	Copy of the Draft Projects Report, Newspaper advert
GGPP_TL01 (C)	Director Planning and Economic Development	Submitting the next financial year Draft IDP and Budget to Council for adoption by 31 March each year (two month before the start of the new financial year)	To ensure community confidence in the system of local government	IDP	31-Mar-23	Date	31-Mar-24	-	27-Mar-24	None	None	Council Resolution, Copy of Draft IDP
GGPP_TL02	Director Planning and Economic Development	Approval of the current financial year IDP, Budget and PMS Schedule (Process Plan) by 30 August each year (S21 of the MFMA)	To ensure community confidence in the system of local government	IDP	1	Number	1	-	1	None	None	Council Resolution and Final Process Plan



IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBP Annual Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
GGPP_TL03	Director Planning and Economic Development	Number of IDP, Budget and PMS Steering Committee Meeting held by 30 June 2024	To ensure community confidence in the system of local government	IDP	3	Number	3	-	3	None	None	Agenda, Minutes, Attendance Register ,MM presentation ,Manager IDP Public Participation Report Presentation
GGPP_TL04	Director Planning and Economic Development	Submitting the next financial year Final IDP and Budget to Council for adoption by 31 May each year (One month before the start of the new financial year)	To ensure community confidence in the system of local government	IDP	31-May	Date	31-May-24	-	29-Apr-24	None	None	Council Resolution ,2024 /25 Final IDP
GGPP_TL05	Strategic Planning, Monitoring and Evaluation	Tabling Draft Annual Report for previous financial year to Council by 31 January each year. (s121 - 129 MFMA)	To ensure community confidence in the system of local government	PMS	31-Jan-23	Date	31-Jan-24	-	30-Jan-24	None	None	Copy of the draft Annual Report, Copy of Council Resolution
GGPP_TL06	Strategic Planning, Monitoring and Evaluation	Number of Quarterly Performance Reports submitted to Council by 30 June 2024	To ensure community confidence in the system of local government	PMS	4	Number	4	-	4	None	None	Council Resolution
GGPP_TL08	Director Corporate and Shared Services	Number ICT Steering Committee meeting held by 30 June 2024	To ensure community confidence in the system of local government	ICT	4	Number	4	-	4	None	None	ICT Governance report attached and Attendance register

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBP Annual Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
GGPP_TL09	Director Corporate and Shared Services	Number of quarterly reports on the performance of ICT Service providers by 30 June 2024	To ensure community confidence in the system of local government	ICT	4	Number	4	-	4	None	None	SLA report attached
GGPP_TL10 (A)	Manager Municipal Managers Office	Number of EXCO Meetings convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Legislative Support	4	Number	36	33	32	EXCO meetings could not be held in order to prioritise meetings of the higher structures i.e. Special Mayoral Committee meeting and Special Council meeting held on 22 and 29 April 2024 respectively.	Convene EXCO meeting same week when scheduled date has been used by higher structure.	Agenda and Minutes
GGPP_TL10 (B)	Manager Municipal Managers Office	Number of Mayoral Committee meetings convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Legislative Support	10	Number	10	-	15	None	None	Agenda and Minutes
GGPP_TL10 (C)	Manager Municipal Manager's Office	Number of EXTENDED EXCO Meetings convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Executive Support	New	Number	12	10	8	Target not achieved due to the April month being dedicated for IDP Public Participation and due to the LLF workshop arranged by SALGA for Management in November.	Convene Extended EXCO meeting same week when scheduled date has been used by higher structure	Agenda and Minutes
GGPP_TL11	Manager Legislative Support	Number of Council sittings convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Legislative Support	6	Number	4	-	13	None	None	Agenda and attendance registers

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBP Annual Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
GGPP_TL12	Manager Legislative Support	Number of Portfolio Committee meetings convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Legislative Support	132	Number	95	-	125	None	None	Agenda and attendance registers
GGPP_TL14	Chief Financial Officer	Number of GRAP compliant fixed assets register compiled and updated	To ensure efficiency and effectiveness of municipal administration	Asset Management	1	Number	1	-	1	None	None	GRAP compliant Fixed assets register
GGPP_TL15	Manager in the Office of the Executive Mayor	Number of Ward AIDS Councils Convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Legislative Support	26	Number	45	-	19	Ward AIDS Councils could not be established in 4 wards as the DA did not want to participate  Ward 17 and 33 could not be established due to non-availability of Councillors.  The remaining 20 wards were established in previous years	A follow up will be made with Ward 17 and 33  Meetings to be held in all wards where Councils have been established.	Agenda, Minutes and invitation letters.
GGPP_TL16	Chief Audit Executive	Develop External Audit Action Plan based on AGSA Findings by 31 January each year.	To ensure efficiency and effectiveness of municipal administration	Internal Audit	1	Number	1	-	1	None	None	External Audit Action Plan

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBP Annual Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
GGPP_TL17	Chief Audit Executive	Develop Annual Internal Audit Plan and 3 year rolling strategic plan by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Internal Audit	1	Number	1	-	2	None	None	Annual Internal Audit Plan and 3 year rolling strategic plan
GGPP_TL18	Chief Audit Executive	Number of Audit Committee Meetings convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Internal Audit	12	Number	6	-	10	None	None	Notice, agenda and draft minutes
GGPP_TL19	Manager Legislative Support	Number of Ward Committee meetings convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Legislative Support	276	Number	540	-	540	None	None	Agenda and attendance registers
GGPP_TL20	Manager Legislative Support	Number of Ward Committee Reports developed and submitted to Council by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Legislative Support	4	Number	4	-	4	None	None	Council resolutions on Ward Committee reports
GGPP_TL21	Manager Legislative Support	Tabling the Oversight Report on the previous financial year Annual Report to Council by 31 March each year (Section 121-129 MFMA)	To ensure efficiency and effectiveness of municipal administration	Legislative Support	1	Number	1	-	1	None	None	Council resolution on oversight report (annual report)
GGPP_TL22	Manager Risk Management	Number of operational risk assessments conducted by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Risk Management	45	Number	45	-	45	None	None	Attendance registers for operational risk assessment sessions and operational risk report

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBP Annual Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
GGPP_TL23	Manager Risk Management	Number of Fraud awareness Campaign held conducted by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Risk Management	4	Number	4	-	6	None	None	Attendance register
GGPP_TL24	Manager Risk Management	Number of institutional strategic risk register Reviewed of by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Risk Management	1	Number	1	-	1	None	None	Strategic Risk assessment report
GGPP_TL25	Manager Risk Management	Number of Risk Management Committee convened by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Risk Management	4	Number	4	-	5	None	None	Agenda. Attendance register.
GGPP_TL26	Chief Financial Officer	Maintain the Unqualified Audit Opinion	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	1	Number	1	-	1	None	None	Signed AGSA Audit opinion report
GGPP_TL27	Chief Financial Officer	Manage and maintain unauthorised, Irregular and Fruitless Expenditure at R0.00	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	R1 122 803 652	Number	R0	-	1. Irregular incurred – R382 524 464 2. Fruitless incurred – R2 176 392 3. Unauthorised R844 109 315	Ineffective internal control systems	Improve internal controls to reduce the UIFW and adhere to the UIFW reduction strategy.	UIF register

5.4 Municipal Transformation and Organisational Development

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
<b>Municipal Transformation and Institutional Development</b>												
MTOD_TL01	Director Corporate and Shared Services	Submission of Reviewed of WSP to LGSETA by 30 April 2024	To ensure community confidence in the system of local government	Human Resources Management	1	Number	1	-	1	None	None	Acknowledgement letter
MTOD_TL02	Director Corporate and Shared Services	Submission of Employment Equity Plan to the Department of Labour by 30 June 2024	To ensure community confidence in the system of local government	Human Resources Management	1	Number	1	-	1	None	None	Acknowledgement letter
MTOD_TL03	Director Corporate and Shared Services	Number of new External Students awarded study bursaries for the next academic year by 30th June 2024	To ensure community confidence in the system of local government	Human Resources Management	0	Number	40	-	40	None	None	Bursaries Report
MTOD_TL04	Director Corporate and Shared Services	Number of Graduates students awarded Internships / Experimental / Learnership at Polokwane Municipality by the 30 June 2024	To ensure community confidence in the system of local government	Human Resources Management	0	Number	100	-	276	None	None	Internships / Experimental / Learnership Report

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
MTOD_TL05	Director Corporate and Shared Services	% of training session on application and understanding of code of conduct for new employees by 30 June 2024	To ensure community confidence in the system of local government	Human Resources Management	New	Percent	100%	-	100%	None	None	Attendance Register

#### 5.5 Financial Viability

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
<b>Financial Viability</b>												
FV_TL01	Chief Financial Officer	Number of funded annual budget adopted as per MFMA act by 30 May	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	1	Number	1	-	1	None	None	Annexure I
FV_TL01(A)	Chief Financial Officer	Number of funded adjustment budget adopted by 28 February	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Number	1	-	1	None	None	
FV_TL02	Chief Financial Officer	Percentage Municipal compliance to MSCOA by 30 June 2024	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	100	Percent	100%	-	100%	None	None	Data strings upload

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
FV_TL02(B)	Chief Financial Officer	Number of MSCOA reports processed and submitted to NT by 30 June each year.	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	12	Number	12	-	12	None	None	Data string upload log
FV_TL03	Chief Financial Officer	% of creditors paid within 30 days upon receipt of invoice"	To ensure efficiency and effectiveness of municipal administration	Expenditure Management	98	Percent	95%	-	100%	None	None	Creditors age analysis from the financial system
FV_TL04	Chief Financial Officer	% of Households with access to free basic services to all qualifying people in the municipal's area of jurisdiction	To ensure efficiency and effectiveness of municipal administration	Revenue Management	100	Percent	100%	-	100%	None	None	Indigent Register
FV_TL05	Chief Financial Officer	Percentage collection of revenue billed; total billed vs total collected.	To ensure efficiency and effectiveness of municipal administration	Revenue Management	92%	Percent	86%	-	86%	None	None	Billing vs collection
FV_TL05(A)	Chief Financial Officer	Percentage collection of government debt outstanding vs total debt collected. (Government debt)	To ensure efficiency and effectiveness of municipal administration	Revenue Management	New	Percent	30%	-	76%	None	None	Government debt vs debt collected.
FV_TL05(B)	Chief Financial Officer	Percentage collection of land / property debts outstanding vs total collected. (Land and Property debts)	To ensure efficiency and effectiveness of municipal administration	Revenue Management	New	Percent	30%	-	85%	None	None	Land and Property debt vs debt collected.



IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
FV_TL05(C)	Chief Financial Officer	Percentage of progress on resolutions for solar project	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Percent	50%	-	27%	The Independent Power Producer (IPP) has not reached financial closure in order to present the final report to Council for approval of the project to commence. The IPP has only submitted the letter of intent from the financier (DBSA), which has conditions that DBSA has to conduct due diligence prior to providing the final offer.	Follow up with the IPP on the progress made with the potential funder. Finalise all the studies to be submitted to National Treasury to obtain the final views and recommendations on the feasibility of the project.	
FV_TL05(D)	Chief Financial Officer	Percentage progress of DBSA assistance on non-revenue projects	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Percent	100%	-	20.2%	The Municipality is currently waiting for guidance from DBSA on the condition of the support.	Follow up with the DBSA on the conditions of the support and submit the report to Council for approval prior to submitting the application to DBSA in the first quarter of 2024/25	Resolution register with relevant supporting documents
FV_TL06	Chief Financial Officer	Timeous appointment of service providers within 90 days in line with the National Treasury Norm on appointment of contractors	To ensure efficiency and effectiveness of municipal administration	Supply Chain Management	72	Days97	90	-	0	High volume of the bid documents received for each bid advertised and this affected finalization of the evaluation on one bid.	The resources within SCM have been augmented. Appointments will be made within 90 days in 2024/25	Demand Management Report

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
FV_TL08	Chief Financial Officer	Number of payroll reconciliation prepared.	To ensure efficiency and effectiveness of municipal administration	Expenditure Management	New	Number	12	-	12	None	None	Payroll reconciliation prepared
FV_TL09	Chief Financial Officer	Number of investment reconciliation prepared.	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Number	12	-	12	None	None	Investment reconciliation
FV_TL10	Chief Financial Officer	Number of investment meetings held.	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Number	12	-	11	No surplus funds were available to be invested as such, no investment meeting could be held.	Meetings to be held on a monthly basis to assess the investment performance	Attendance register
FV_TL11	Chief Financial Officer	100% of infrastructure assets unbundled in accordance with the accounting framework	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Percent	100%	-	100%	None	None	Unbundling Sheets.
FV_TL12	Chief Financial Officer	Number of Asset Management Committees held	To ensure efficiency and effectiveness of municipal administration	Asset Management	New	Number	4	-	7	None	None	Minutes and the Agenda item.
FV_TL13	Chief Financial Officer	Number of GRAP compliant inventory register compiled and maintained	To ensure efficiency and effectiveness of municipal administration	Asset Management	New	Number	1	-	1	None	None	GRAP Compliant Inventory register
FV_TL14	Chief Financial Officer	Number of In-year monitoring reports submitted to Treasury within 10 days after the end of the month	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Number	12	-	12	None	None	NT Document upload log

IDP Ref No.	Responsible Owner	KPI Name	Strategic Objective	Municipal Programme	Baseline	Unit of Measurement	Original SDBIP Target 30 June 2024	Revised Annual Target 30 June 2024	Annual Actual Performance 30 June 2024	Performance Challenges	Corrective Measures	POE
FV_TL15	Chief Financial Officer	Number of UIF reports submitted to treasury within 10 days after the end of the month	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	New	Number	12	-	6	Oversight and some could not be submitted as it was during the audit process	Reports will be submitted as required	Submission or Emails to Treasury
FV_TL16	Chief Financial Officer	Number of quarterly financial statements submitted to stakeholders within 60 days after the end of the quarter	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	4	Number	4	-	2	Lack of timeous review of Q1 and Q2 financial statements	Fastrack all review processes and timeous submission of the statements to stakeholders as expected	AFS submitted
FV_TL17	Chief Financial Officer	Number of annual financial statements submitted to the Auditor General by 31st August each Financial Year	To ensure efficiency and effectiveness of municipal administration	Budget and Reporting	1	Number	1	-	1	None	None	Annual Financial Statement

## 5.6 Capital Works Plan

Project Performance: Not Achieved	
Project Performance: Achieved	

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
<b>Directorate Water and Sanitation – Water Services</b>													
CWP_01	Director Water and Sanitation	Water and Sanitation	Olifantspoort RWS (Mmotong wa Perekisi)	10, 16, 36, 37	Percent	10 266 272	10 266 272	100%	100%	90%	The contractor failed to achieve completion, due to challenges of water supply and failed to timeously procure material for Borehole equipment.	The contractor has been placed on terms and has submitted a recovery plan to complete by 13 Sept 2024.	Progress report
CWP_02	Director Water and Sanitation	Water and Sanitation	Mothapo RWS	6, 31, 24	Percent	28 180 722	28 148 302	100%	Testing and commission, and completion	88%	The contractor failed to achieve the target of 100% due to theft and vandalism of Boreholes at Thakgalang.	The contractor has been placed on terms and has submitted a recovery plan to complete by 18 Oct 2024.	Progress report. Revised SDBIP.
CWP_03	Director Water and Sanitation	Water and Sanitation	Moletjie East RWS	15, 36, 38	Percent	7 523 213	7 477 195	100%	Testing and commission, and completion	100%	None	None	Completion Certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_04	Director Water and Sanitation	Water and Sanitation	Moletjie North RWS	35	Percent	11 327 960	11 327 960	100%	Completion of two Package plants and Equipping borehole. Electrification of package plant and Borehole. Completion of the Project	100%	None	None	Progress report
CWP_05	Director Water and Sanitation	Water and Sanitation	Sebayeng/Dikgale RWS	29, 30, 31, 32, 33	Percent	5 180 281	5 180 280	90%	Bulk pipe line 900kl storage tank. Bulk pipe line 2800kl storage tank. Bulk pipe line.	64%	The Contractor failed to achieve the target due to stoppages and community unrests.	The contractor has submitted an extension of time claim for the stoppages and a catch-up plan.	Progress report. Extension of time claim submitted by the contractor.
CWP_06	Director Water and Sanitation	Water and Sanitation	Moletjie South RWS	9	Percent	0	0	50%	Construction of rising main pipeline and installation of valves	0%	The Engineers failed to complete technical reports and business plans (Designs) for approval by DWS.	The technical reports have been resubmitted and the project has been re-prioritised for implementation in 2024/25 Financial Year.	2024_25 SDBIP
CWP_07	Director Water and Sanitation	Water and Sanitation	Houtriver RWS	09; 16, 18, 35	Percent	7 438 704	7 438 704	100%	Equipping of borehole, pipe laying and completion	100%	None	None.	Draft practical completion certificate
CWP_08	Director Water and Sanitation	Water and Sanitation	Chuene Maja RWS	1, 2	Percent	13 899 229	13 899 230	100%	Installation of yard connections and Completion	100%	None	None.	Progress Report

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_09	Director Water and Sanitation	Water and Sanitation	Molepo RWS	3, 4	Percent	11 363 476	11 363 420	100%	Testing and Commission	100 %	None	None.	Revised SDBIP. Progress report.
CWP_10	Director Water and Sanitation	Water and Sanitation	Laastehoop RWS	5	Percent	1 424 087	1 424 086	50%	Construction of Bulk line and reticulation	1%	The Engineer failed to complete and submit technical report for approval by DWS.	A Letter of dissatisfaction was issued to the consultant and a revised technical report was submitted to the Department for approval.	Progress report. Attendance register. Minutes of the meeting held with stakeholders.
CWP_11	Director Water and Sanitation	Water and Sanitation	Mankweng RWS	27, 25, 31, 7, 26	Percent	1 160 558	1 160 557	50%	Construction of reticulation	25%	The Consultant delayed in submitting a technical report for approval by DWS.	A Letter of dissatisfaction was issued to the consultant and a revised technical report was submitted to the Department for approval.	Dissatisfaction and commitment. Status of Technical report submission.
CWP_12	Director Water and Sanitation	Water and Sanitation	Boyne RWS	4	Percent	10 909 338	10 909 336	100%	Pipe Testing, Storage Refurbishment, Electrification of Boreholes.	97%	The Contractor failed to achieve practical completion due to challenges of pipeline that were encroaching road reserve.	Contractor submitted a catch-up plan for testing and commissions of the pipelines	Progress reports
CWP_13	Director Water and Sanitation	Water and Sanitation	Badimong RWS	28,30, 31, 34	Percent	1 479 396	1 479 396	100%	Electrification of Boreholes and completion	100%	None	None.	Certificate of completion

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_14	Director Water and Sanitation	Water and Sanitation	Construction of ventilated pit latrines	09, 10, 15, 16, 18, 35, 36, 38, 09, 10, 15, 16, 18, 35, 36, 38	Percent	60 000 000		100%	Completing of Construction of VIP Toilets	23.90%	The Contractors failed to achieve the targets due to poor performance, excessive hard rock, and social issues.	The appointed Contractors are on terms and have submitted catch up plans to complete the remaining structures by end of Oct 2024.	Progress reports
CWP_15	Director Water and Sanitation	Water and Sanitation	Regional Wastewater Treatment Plant	11, 12, 13, 14, 17, 37, 8,19, 20, 21, 22, 23, 39	Percent	RBIG 148 129 433 CRR 62 730 995	RBIG 148 129 433 CRR 62 730 508	42%	Steel fixing and Casting of the pipe bridge and Civil works on the main regional wastewater plant. Testing of the pipes on the outfall sewer east of the pipe bridge.	37%	* Phase 1A Outfall sewer contractor is experiencing cashflow challenge and was also delayed delivery of material on site.  * Phase 2B - RWWTW Contractor experienced delays in procurement of materials (reinforcement, formwork, and scaffolding).	* Phase 1A Outfall sewer contractor has submitted a catch-up plan and extension of time to complete the Project by 21 Jan 2025.  * Phase 2B - RWWTW Contractor has secure material from other suppliers (reinforcement, formwork, and scaffolding).	Progress report and Site Instruction
CWP_16	Director Water and Sanitation	Water and Sanitation	Polokwane Bulk Water Supply	City , Seshego, Mankweng	Percent	6 826 005	9 894 333	100%	Completion of WTW	94.27%	The Contractors had cashflow constraints that led to poor performance.	Contractors have submitted catchup plans.  Sandriver north WTW is under termination, Sandriver	Progress report. Practical Completion

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
												south is ceding works to a sub contractor.  New contractors are being appointed to complete the outstanding works.	
CWP_18	Director Water and Sanitation	Water and Sanitation	Aganang RWS (2)	43 & 45	Percent	29 209 723	29 209 438	100%	Pipe Testing, Electrification of boreholes	96%	Mahoi phase 2 is Practically completed -99%, Kalkspruit water supply - 92% - was delayed due to a change of scope from solar panels for partial operation of one distribution pump, to a backup generator capable of powering the whole Houtriver treatment plant.	The appointed Contractors have submitted catch up plans to complete all the testing and commissioning end of Oct 2024	Progress reports
CWP_19	Director Water and Sanitation	Water and Sanitation	Aganang RWS (3) (Ramalapa, Mashamaite, Makgodu, Mars)	40, 41, 42, 43, 44 & 45	Percent	16 772 370	15 264 358	100%	Pipe Testing	93.75%	Delays were as a result of Mars phase 2 which experienced community unrest and protest on the appointment of the CLO	Councillors and Public Participation Office have been engaged to assist in resolving the challenges.	Progress reports. Completion Certificates
CWP_20	Director Water and Sanitation	Water and Sanitation	Bakone RWS (2)	40, 41, 42, 43, 44 & 45	Percent	9 443 975	9 444 015	100%	Testing and commission, and completion	60%	Delays in delivery of materials.	Material has arrived on site, and contractors have submitted catch-up plans to complete works by the	Progress reports



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
												end of September and October.	
CWP_21	Director Water and Sanitation	Water and Sanitation	Thakgalang Rural Sanitation Phase 1	37	Percent	7 459 407		100%	Completing of Construction of VIP Toilets	100%	None.	None.	Practical completion certificate
CWP_22	Director Water and Sanitation	Water and Sanitation	Segwasi RWS	Ward 42	Percent	12 386 458	12 389 465	95%	Equipping of boreholes and erection of steel tank and completion	93%	Delay in installation of transformers. Contractor also experienced cashflow challenges.	Contractor to use a generator to conduct testing and commissioning while awaiting ESKOM to energise.	Segwasi Progress report
CWP_23	Director Water and Sanitation	Water and Sanitation	Mashashane Water Works	40	Percent	13 431 658	13 721 517	100%	Pipe Testing, Electrification of boreholes	100%	None.	None.	Practical completion certificate
CWP_25	Director Water and Sanitation	Water and Sanitation	Installation of Prepaid Water Meters at Mankweng ward 25 and 26	ward 25 and 26	Percent	0	0	30%	Installation of Prepaid meters and pairing.	7%	Delays in procurement of meters on a risk-based approach.	Project has been re-prioritised to be implemented in the 2024/25 FY.	Progress Report
<b>Directorate Energy Services - Energy Services</b>													
CWP_26	Director Energy Services	Energy Services: Planning and Development	Installation of Solar Street lights along Zebediela road	Ward 08, 19	Percent	1 739 130	0	100%	Installation of 60 solar lights along Zebediela road	100%	None.	None	Picture of installed street lights, completion certificate, closeout report, hand over certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_27	Director Energy Services	Energy Services: Planning and Development	Installation of street lights along Nelson Mandela Drive from Ext 74 Robots to Seshego Circle Mall (Removed by BRT Project)	Ward 08, 11, 14, 12,17,37, 23	Percent	0	0	100%	Detailed designs completed up to tender stage	100%	None.	None	BOQ, Designs
CWP_29	Director Energy Services	Energy Services: Planning and Development	Installation of High Mast lights) (Rural Areas)	3, 6, 27, 31, and 34	Percent	4 032 648	3 013 980	100%	Delivering and installation of equipment. Installed 5 solar high mast lights in wards 3, 6, 27, 31, 35	10%	Bid advertised and closed February 2024	Regular monitoring of consultant, project to be done in phases in the outer years due to its cost.	Emails, budget for 2024/25 Advert
CWP_30	Director Energy Services	Energy Services: Planning and Development	Design the upgrade SCADA and RTU	City	Percent	2 103 293	2 103 293	100%	Delivering and installation of equipment (Phase1)	80%	Consultant delays in detailed designs	Regular engagement with consultant to ensure designs are to correct specifications.	Phase one designs Control room and Gamma, Detailed designs, tender document
CWP_31	Director Energy Services	Energy Services: Planning and Development	Install New Bakone to IOTA 66KV double circuit GOAT line	11, 12, 13, 14, 17, 37,	Percent	5 179 133	3 430 064	100%	Delivering and installation of equipment. Complete Phase 1 of the project	90%	Challenges in acquiring servitude for the line.	PMU to assist in process of servitude negotiations	New route, detailed designs, payment certificate, minutes
CWP_32	Director Energy Services	Energy Services: Planning and Development	Plant and Equipment	municipal wide	Percent	125 142	125 029	100%	Delivery of equipment	10%	Transversal Contracts can only acquire a normal 12meter cherry picker and we need a 23meter	To deviate on Transversal Contracts to buy a 23-meter cherry picker	Extension of time, opening registered. Advert

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_33	Director Energy Services	Energy Services: Planning and Development	Design and Construction of New Pietersburg 11kv substation	8, 14, 19	Percent	4 399 426	4 420 482	100%	Supply cables, RMU line constructed and substation fence completed	98%	Project was delayed by another Municipal project of constructing a bridge.	A new contractor has been identified to complete the project	Emails, approval, minutes, payment certificate, minutes
CWP_34	Director Energy Services	Energy Services: Planning and Development	Design and construction 66KV Distribution substation Matlala	Matlala substation	Percent	4 930 146	4 930 063	100%	Civil works 100% completed (phase 1)	80%	There were delays in acquiring land for the substation.	PMU to assist with Servitude negotiation	Detailed design, minutes of meetings, payment certificate.
CWP_35	Director Energy Services	Energy Services: Planning and Development	Design and construct 66kV line between Alpha and Matlala substations	between Alpha and Matlala substations	Percent	869 565	869 542	100%	Finalising servitudes and detailed designs	60%	There were delays in acquiring land for the substation.	PMU to assist with Servitude negotiation	minutes of meetings, presentations of preliminary designs
CWP_36	Director Energy Services	Energy Services: Planning and Development	Cherry Pickers x 5	Municipal wide	Percent	0	0	100%	Delivering of equipment	10%	Delays in compiling specification.	Regular monitoring and more meeting meetings to ensure specifications are done on time	Emails. opening
CWP_38	Director Energy Services	Energy Services: Planning and Development	Refurbishing of overhead networks in Ivydale	Ward 22	Percent	1 304 348	1 241 085	100%	Refurbishment of overhead lines as per the design	100%	None.	None	partial completion certificate, payment certificate
CWP_39	Director Energy Services	Energy Services: Planning and Development	Energy Efficient Demand Side Management	Municipal Wide	Percent	3 478 261	3 473 228	100%	Completion of the project	94.5%	Delays by the contractor in procuring material for the project.	Regular monitoring of the contractor to prioritise our projects.	progress report, payment certificate, streetlights hand over certificate.

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_41	Director Energy Services	Energy Services: Planning and Development	Electrification of Urban household's in Seshego Zone 8 Extension 133 (Phase 2 and phase 3)	13, Seshego Zone 8 Extension 133	Percent	15 329 293	15 324 047	100%	Completion of project	76%	Delays by the contractor in procuring material for the project.	Regular monitoring of contractor using PMBOK procedures	minutes of meetings, material delivery note, payment certificate, progress report, approved extension of time
CWP_43	Director Energy Services	Energy Services: Planning and Development	Retrofit Street Lights in the Municipal area with Solar lights	Main City Entrances (Landros Mare Street)	Percent	0	0	100%	Execution and project completion	10%	Delays in compiling specifications	Regular meetings to ensure specifications are done on time.	remittance/pro of of payment, advert, email to MMC
CWP_44	Director Energy Services	Energy Services: Planning and Development	Retrofit high mast lights with Solar lights	Rural Clusters high mast lights	Percent	224 348	224 311	100%	Completion of project	30%	Delays in compiling specifications.	Regular monitoring to ensure specifications are done with compliance to standards.	Quotations, payment, email
CWP_44(A)	Director Energy Services	Energy Services: Planning and Development	Installation of Solar System at the New Peter Mokaba Stadium	New Peter Mokaba Stadium	Percent	2 006 731	2 006 731	30%	Preliminary Designs and Final Designs	30%	None.	None	Detailed designs, payment certificate, roof analysis, revised site which is parking
<b>Directorate Roads and Storm Water</b>													
CWP_45	Director Roads and Storm water	Roads and Transportati on Services	Paving of AKI streets in RDP section SDA1 (Luthuli)	14	Percent	1 331 630	1 656 858	100%	Review of the designs for phase 5	100%	None.	None	review of the designs

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_47	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Mountain view	4	Percent	4 839 728	4 839 728	50%	Construction of selected layer & sub base	87%	None.	None	progress report and payment certificate
CWP_48	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets at Mankgaile, Ga-Mokoatedi to D4040 until GaRachidi	4	Percent	11 011 306	11 011 304	50%	Construction of selected layer & sub base	99%	None.	None	progress report, payment certificate and practical completion certificate
CWP_50	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access Roads from Ga Thaba in Molepo, Chuene, Maja cluster	2	Percent	458735.71	458735.71	100%	Prelim and Detailed design	100%	None.	None	Detailed design report
CWP_53	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 1	13	Percent	7 130 888	7 130 644	50%	Construction of selected layer & sub base	92%	None.	None	progress report, payment certificate and practical completion certificate
CWP_54	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 54th and 58th avenue in Seshego Zone 2	37	Percent	4 715 273	4 715 273	10%	Site handover and Site Establishment	31%	None.	None	Allocation letter and Progress report
CWP_55	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 67th, 78th, 79th and 80th streets in Seshego Zone 3	37	Percent	1 733 900	1 733 900	10%	Site handover and Site Establishment	100%	None.	None	Allocation letter and Progress report
CWP_56	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of 57th street in Seshego Zone 4	12	Percent	14 414 623	14 456 268	80%	Construction of sub base& base	100%	None.	None	Progress report, payment certificate and completion certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_57	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Zone 5	11	Percent	5 235 613	5 235 613	10%	Site handover and Site Establishment	20%	None.	None	Progress report and allocation letter
CWP_58	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from the hostel to Oliver Tambo road in Seshego Zone 6	37	Percent	3 313 356	3 313 356	10%	Completion of phase on and site establishment of phase	2.1%	The contractor for phase 1 was terminated. The new contractor (Bo-Mamohlala) was appointed to do both completion of phase 1 as well as paving of phase 2.	The contractor will accelerate the rate of progress for phase 1 with target for completion being within the first quarter of 2024/25 financial year. Phase 2 is progressing well with actual progress exceeding the target. The overall progress is at 21%	Progress report, payment certificate and site handover report
CWP_60	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Damaged Road signage in the City	City Cluster	Percent	301 279	0	100%	Replacement of 34 damaged road signs.	100%	None.	None	Progress report
CWP_61	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Mohlonong to Kalkspruit	40, 42	Percent	1396330.39	1396329.55	100%	Detailed Designs	100%	None.	None	Detailed design
CWP_62	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Monyoaneng to Lonsdale	45 & 35	Percent	4761275.67	4761204.44	50%	Construction of selected layer & sub-base	87%	None.	None	progress report and payment certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
		Development											
CWP_63	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Moleletje Cluster (ward 35) (Paving of internal street in Ga Rankhuwe)	(ward 35)	Percent	4 018 797	4 018 797	90%	construction of storm water drainage and completion of block paving	100%	None.	None	progress report, payment certificate and practical completion certificate
CWP_64	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal streets in Seshego Cluster (Ward 14)	Ward 14	Percent	4 230 461	4 232 237	90%	Construction of storm water drainage and completion of block paving	73%	There was a delay in supply of paving blocks and a hard rock was encountered during excavation for storm water pipes.	The contractor will procure paving blocks from other suppliers. The hard rock will be excavated by chemical blasting.	progress report and payment certificate
CWP_65	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in SDA1 (Paving of Dwars Street Connecting ext 40 and 78. (Ward 08)	8	Percent	3 988 912	3 988 912	90%	Construction of storm water drainage and completion of block paving	99%	None.	None	Progress Report, Payment Certificate and practical completion certificate
CWP_66	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Sebayeng / Dikgale Cluster (Paving of internal street at Madiga) Ward 29)	Ward 29	Percent	4 827 022	4 827 022	100%	Construction of base and paving	100%	None.	None	progress report, payment certificate and completion certificate
CWP_67	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Mankweng Cluster (Paving of street in Mothiba tribal office and Paving of	(Ward 7 and 24)	Percent	1 608 876	1 608 876	40%	Construction of road bed and sub base	9%	The consultant reported that the department of minerals and resources (DMR) halted the project due to the unavailability of the mining permit.	The contractor was advised to source material commercially.	email from the consultant indicating the halting of the project. progress report and payment certificate.

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
			internal street from University road to Makanye primary school										
CWP_68	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Molepo, Maja Chuene Cluster (Paving of Kopermyn internal road Ga- Maja)	Ward 2		3586844.54		90%	Construction of road bed, sub base , base storm water drainage and block paving	99%	None.	None	progress report and payment certificate
CWP_69	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of streets in Aganang Cluster (Paving of internal street at Ceres)	Ward 45	Percent	3 752 936	3 752 936	90%	construction of storm water drainage and completion of block paving	100%	None.	None	progress report, payment certificate and completion certificate
CWP_70	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Gadikgale (Moshate)	Gadikgale (Moshate)	Percent	498 169	498 169	100%	Detailed Design Report	100%	None.	None	detailed design report and payment certificate
CWP_71	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of streets in Nirvana extension	19	Percent	392 922	392 923	100%	Detailed Design Report,	100%	None.	None	detailed design report
CWP_72	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Non-Motorised Transport Infrastructure in Polokwane	Ward 08, 39, 17, CBD	Percent	4 420 174	4 419 569	100%	Completed block paving for pedestrians and cyclist	100%	None.	None	Practical completion certificate
CWP_75	Director Roads and Storm water	Public Transport Infrastructure	Construction of Nelson Mandela Bokelo, Ditlou Crossing	17	Percent	5 235 907	5 235 907	70%	Installation of kerbs, NMT works. street light,	54%	There were delays in relocating the existing services and cash-flow challenges	The contractor was requested to fast-track the	Progress report, payment certificate



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
		Development							Priming and surfacing			relocation of existing services	
CWP_78	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Cebio and Lemur streets in Westernburg RDP Section (Phase 2)	19	Percent	7 072 225	7 072 225	90%	Construction of sub base, base and paving and storm water	78%	The contractor was delayed by late delivery of material.	The service provider to maximize resources on site.  The contractor to submit the catchup plan	progress report and payment certificate
CWP_79	Director Roads and Storm water	Public Transport Infrastructure Development	Refurbishment of Street Names Boards	City Cluster, (08, 19, 20,21, 22, 23, 39)	Percent	405 945	0	100%	Completed installation 168 street name boards	100%	None.	None	Progress report and payment certificate
CWP_80	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of access road in Ga Makgoba	33	Percent	3542962.87	3534983.44	40%	Construction of roadbed & sub base	65%	None.	None	Payment certificate and progress reports
CWP_81	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Nobody Traffic circle to Moshate Moshapo	Ward 05, 06, 07, and 27	Percent	763301.6	763301.6	100%	Detailed Design Report	100%	None.	None	Detailed Design Report
CWP_82	Director Roads and Storm water	Public Transport Infrastructure Development	Completion of road from Phomolong to Makgwareng	7	Percent	819871	819870.43	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_83	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Spitzkop to Segwasi	34	Percent	5858902.12	5858902.12	50%	Construction of roadbed, sub base	50.1%	None.	None	Progress report and payment certificate

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CWP_84	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Titibe to Marobala and Makgoba	33	Percent	1000000	999086.36	100%	Detailed Design Report	100%	None.	None	Detailed design report and payment certificate
CWP_85	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Boshega to Tshebela to Boyne Road	3	Percent	0	0	20%	Box cutting.	0%	The budget was moved to Tarring of road from Tshebela to Moshate	Road combined with the Tarring of Tshebela to Moshate	N/A
CWP_86	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Silicon to Matobole	2	Percent	3927558.26	3927554.95	40%	Construction of roadbed, selected and sub base	45%	None.	None	Progress reports and payment certificates
CWP_87	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Maja Moshate to Feke ]	2	Percent	668393.04	668393.04	100%	Allocation of contractor	90%	Designs completed in the fourth quarter. Contractor to be allocated in the first quarter of the 2024/25 financial year.	Allocation of the contractor to be fast tracked.	Detailed Design Report
CWP_88	Director Roads and Storm water	Public Transport Infrastructure Development	Installation of Traffic Lights Within City CBD	City CBD Seshego Mankweng	Percent	2 395 423	2 239 827	100%	Installation of 1 traffic lights at Southern Gateway.	100%	None.	None	Completion certificate
CWP_88(A)	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Road in Seshego Treatment Plant	12	Percent	5710194.71	5710194.71	100%	site establishment, construction of pavement layers, installation of kerbs and block paving	100%	<b>Target Achieved</b>	None	allocation letter, progress report, practical completion certificate
CWP_88(B)	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Road in Molepo Dam	4	Percent	5634729.44	5634729.44	100%	Allocation of contractor, site establishment,	100%	<b>Target Achieved</b>	None	Completion certificate

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
		Development							construction of pavement layers, installation of kerbs and block paving				
CWP_90	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	16	Percent	6263643.27	6203904.07	60%	Construction of sub base & base	83%	None.	None	Progress report and payment certificate
CWP_91	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of road in ga Thoka from reservoir to Makanye 4034	27	Percent	2035944.97	2035944.98	40%	Construction of roadbed & sub base	27%	Slow progress on site.	Recommendation for termination letter was issued.	Progress report, payment certificate and recommendation for termination letter.
CWP_92	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	30	Percent	920608.81	920608.81	100%	Allocation of contractor and site establishment	100%	None.	None	Allocation letter, Detailed design report, progress report and payment certificate
CWP_93	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street from Solomondale to D3997 (ward 32)	32	Percent	2 194 000	2 190 066	30%	Construction of sub base, base and surfacing	60%	None.	None	Progress report and payment certificate
CWP_94	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	34	Percent	792698.29	776751.13	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_95	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of road from Ralema primary school	36	Percent	860 074	860 074	100%	Detailed Design Report	100%	None.	None	detailed design report and payment certificate

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		Development	via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)										
CWP_96	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road (ward 38)	38	Percent	6 751 620	6 751 619	50%	Construction of sub base & base	90%	None.	None	progress report and payment certificate
CWP_97	Director Roads and Storm water	Public Transport Infrastructure Development	Paving of Internal Street in Ga Ujane to D3363 (ward 40)	40	Percent	4347331.05	4318237.32	50%	Construction of sub base & base	58%	None.	None	progress report and payment certificate
CWP_98	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	41	Percent	5219034	5218959.79	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_99	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	42	Percent	334000	333411.8	100%	Detailed Design Report	100%	None.	None	detailed design report
CWP_100	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	43	Percent	1070184.31	1066662.34	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_101	Director Roads and Storm water	Public Transport Infrastructure	Upgrading of storm water system in municipal area (Vukuphile)	Municipal area	Percent	190 213	190 213	30%	Scoping	30%	None.	None	Scoping report

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		Development											
CWP_102	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm Water in Ga Semanya	38	Percent	417 515	417 515	100%	Detailed Design Report	100%	None.	None	Detailed design report
CWP_103	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	12	Percent	0	0	100%	Detailed designs	33%	The quotations for topographical survey were expensive. As a result, only the inception report was completed.	The consultant was requested to revise the quotations before finalizing the preliminary design report.	Inception report and correspondence to the consultant.
CWP_104	Director Roads and Storm water	Public Transport Infrastructure Development	Construction of Storm water Canal in Seshego	17	Percent	8 161 899	8 161 899	75%	layer works for NMT 60%, Block paving laying 90%, Installation of Gabions, street lights installation	84%	None.	None	Progress report, minutes and payment certificate
CWP_105	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water in Seshego	Ward 11,13	Percent	291 902	291 902	30%	Scoping	30%	None.	None	Scoping report
CWP_106	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of storm water in Polokwane ext. 76	8	Percent	1 767 724	1 767 724	50%	Excavation of stormwater trenches, Road bed & selected layer	50%	None.	None	payment certificate, progress report and minutes

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CWP_107	Director Roads and Storm water	Public Transport Infrastructure Development	Upgrading of Storm Water in Sterpark; Flora Park; and Fauna Park	20,21	Percent	342 458	342 458	100%	Review of the preliminary and detail design	67%	Preliminary flood line design from the new consultant was not adequate to provide ample stormwater structure for flash flood prevention.	The new consultant is busy with the revision of flood line to 1:50 years on the preliminary design report to cover future floods.	reviewed preliminary design report
<b>Directorate Transportation Services</b>													
CWP_117	Director Transportation Services	Public Transport Infrastructure Development	Upgrad & constr of Trunk route WP1	8, 11, 13, 17, 19, 22, 23 & 39	Percent	2 708 601	2 092 375	100%	Road markings, replacement of rumble blocks, installation of Urban Traffic Control	0%	Only the implementation of the refurbishment of the Layover facility and the depot civil works were currently prioritized	Project to be implemented in 2024/25 financial year	N/A
CWP_118	Director Transportation Services	Public Transport Infrastructure Development	widening of Sandriver bridge (trunk)	City	Percent	8 130 435	5 057 659	100%	Compl of concrete works on bridge deck and walkways, surfacing & Road Markings	80%	There were disputes between the Consultant and Contractor about the beams	Both the Contractor and Consultant were terminated, and a new Consultant and Contractor appointed	Progress report. Consultant report for the bridge, Gap audit report for contractor
CWP_119	Director Transportation Services	Public Transport Infrastructure Development	Refurbishment of daytime layover facility	City	Percent	3 478 261	2 164 173	100%	Reinstatement of paving, and finishing	98%	Delays in issuing of construction drawings to the contractor.	An intervention meeting was held	Progress report

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CWP_120		Public Transport Infrastructure Development	Construction of Bus station upper structure (general Joubert str)	City	Percent	19 694 782	19 678 424	100%	Mechanical & electrical installations, finishing of ablation and precinct, amendment to surfacing levels for docking of buses, installation of kassel kerbs, branding and way finding	99%	The Consultant kept on changing the designs and this affected the work of the Contractor	A new consultant was appointed.  Contractor to issue compliance certificate i.e. completion certificate and Certificate of compliance	Progress report, Dispute for consultant payment, minutes
CWP_121	Director Transport Services	Public Transport Infrastructure Development	Upgrade of transit mall	City	Percent	2 304 348	2 056 908	100%	Mechanical & electrical installations, finishing of ablation and precinct, amendment to surfacing levels for docking of buses, installation of kassel kerbs, branding and way-finding	0%	Insufficient budget to the project due to budget cuts by National Treasury	Project to be implemented during 2024 2025 with allocated budget of R10 434 782.60	N/A
CWP_122	Director Transport Services	Public Transport Infrastructure Development	Ditlou intersection	Ward no 13 &17	Percent	3 043 478	3 043 478	100%	Subbase 100%, Base 100%, Surfacing 100%, NMT 95%, Streetlighting 90%, Traffic Signals 95%	54%	There were delays by the contractor in sourcing the subcontractor for the relocation of the electrical cable. The Service provider also had cash flow challenges	Contractor advised to enter into cession agreement for procurement of material. Contractor instructed to settle all outstanding	Progress report

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
												sub-contractors	
CWP_123	Director Transportation Services	Public Transport Infrastructure Development	Construction of bus depot Civil works WP3	11 Seshego	Percent	13 043 478	12 623 342	100%	Completion of paving and finishing	87%	The transferring and verification of design information from the former consultant, the verification and exposing of services, the establishment of social structures for labour sourcing, as well the settlement of payment to the SMME's for the terminated contract, involvement of consulting team, responsiveness to requests and instructions by both the consultant and contracting team, resulted in delays.	Intervention meeting were held between the contractor, consultant and the Director to find solution. A follow-up letter is prepared to address the involvement of the consultant	Progress report
CWP_126	Director Transportation Services	Public Transport Infrastructure Development	Construction & provision of Bus Depot Upper structure in Seshego	11	Percent	1 304 347	381 345	70%	Installation of services, brickworks, roofing, glazing, concrete works	0%	Target not met as the upper structure is dependent on the depot civil which is still not complete	SandRiver bridge to be completed in 2024/25 financial year	N/A
CWP_130	Director Transportation Services	Public Transport Infrastructure Development	Control Centre	20	Percent	2 782 609	496 431	100%	Installation of carports and solar system & UPS, finishing of fire protection reticulation, commissioning & COC	0%	Insufficient budget to the project due to budget cuts by National Treasury	Project to be implemented during 2024/25	N/A



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_131	Director Transportation Services	Director Roads and Transportation Services	Updating of Technical Operational Plan	All wards	Percent	Opex	Opex	20%	Reviewed Technical Operational Plan	100%	None.	None	Technical Operational Plan (TOP)
CWP_132	Director Transportation Services	Director Roads and Transportation Services	Updating of Business & Financial Plan	All wards	Percent	Opex	Opex	50%	Preparation of the Leeto La Polokwane Business Plan to the National Department of Transport due in July 2025	100%	None.	None	Updated Business Plan
CWP_133	Director Transportation Services	Public Transport Regulation and Monitoring	Implementation of Marketing, Communications Strategy & Stakeholder Engagements	All wards	Percent	Opex	Opex	30%	Implementation of the Stakeholder and Customer Relationship Plan	100%	None.	None	Customer Query Sheets, stakeholder engagements attendance registers and minutes
CWP_134	Director Transportation Services	Public Transport Regulation and Monitoring	Leeto la Polokwane Phase 1A Marketing, Promotion	All Wards	Percent	Opex	Opex	25%	Implementation of the marketing communication strategy	100%	None.	None	Pictures of branding at events/activations, graphic design samples, social media posts screenshots and public notices
CWP_135	Director Transportation Services	Public Transport Infrastructure Development	Undertaking of Industry Transition	All wards	Percent	Opex	Opex	100%	11 Engagement meetings	45%	Taxi industry refusing to hold meetings due to outstanding 3-year contract matters	The municipality is currently engaging with DoT to find a solution on the contract challenges  Intensify engagement with affected public	Attendance registers, minutes, reports and memoranda

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												transport operators (industry transition)	
<b>Directorate Planning and Economic Development</b>													
CWP_136	Director Planning and Economic Development	Economic Development and Tourism	Township establishment at portion 151-160 of the Farm Sterkloop 688 LS. (Kingdom Park)	Ward 08 (next to extension 44)	Percent	776 252	776 252	26%	Registration of Township	26%	None	None	No. proclamation notice done yet
CWP_137	Director Planning and Economic Development	Economic Development and Tourism	Implementation of the ICM program (IUDF) Precinct Plan	Ward 06 PDA 1	Percent	60 435	60 435	10%	Development of the Agro-Village concept at Dalmada and Kalkfontein farms	10%	None	None	Council Resolution
CWP_138	Director Planning and Economic Development	Economic Development and Tourism	Township Establishment for the Eco-estate at Game Reserve	Ward 20 Urban edge development	Percent	920 076	0	30%	Lodging of the Application with PM.	25%	There was a delay with the final scoping report due to complexity of the area	Preliminary Studies have been submitted	Biodiversity Study Desktop Engineering Services Desktop Environmental Screening Desktop Heritage Desktop Status Quo Phase 1 Prelim Geotech
CWP_141	Director Planning and Economic Development	Economic Development and Tourism	Provision of short term engineering services for Bakone Malapa	Ward 06	Percent	CRR 8 000 000  IUDG 7 561 437	8 000 000  7 345 120	50%	Site Handover	50%	None.	None	MPT approval letter and also letter to Public Works indicating approval of rights and township establishment.

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													Thereafter Public Works hands over to contractors to proceed. Invitation Letters attached. Detailed design on water and sewer report.
<b>Directorate Corporate and Shared Services - Facilities Management</b>													
CWP_143	Director Corporate and Shared Services	Facility Maintenance	Civic Centre refurbishment	39	Percent	787 637	787 637	100%	Fixing Ceiling at ICT section and North wing (Revenue and ICT )	100%	None.	None	None
CWP_144	Director Corporate and Shared Services	Facility Maintenance	Renovation of offices	Municipal Wide	Percent	539 576	504 643	100%	Installation of Water pressure pump and tanks for Maja and Sebayeng Satellite offices	100%	None.	None	Job card, invoice,
CWP_147	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Municipal Public toilets		Percent	2 162 524	1 856 163	100%	Removal and installation of new sanitary fittings, tiling, Electrical finishes, wall finishes and access control at: Bus Terminal, RSA (Dahl Street)	100%	None.	None	Job and Invoice

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CWP_149	Director Corporate and Shared Services	Facility Maintenance	Refurbishment of Jack Botes Hall	39	Percent	1 300 743	1 300 743	100%	Fixing of exit doors and smoke ventilators	100%	None.	None	None
CWP_150	Director Corporate and Shared Services	Facility Maintenance	Refurbishment Aganang Cluster offices	Aganang Cluster	Percent	415 524	415 524	100%	Electrical, floor finishes	100%	None.	None	Internal Job card
CWP_151	Director Corporate and Shared Services	Facility Maintenance	Municipal Furniture and Office Equipment's	Municipal Wide	Percent	286 894	1 982 962	100%	Purchasing of office equipment's for staff personnel in Aganang	100%	None.	None	Delivery notes
CWP_152	Director Corporate and Shared Services	Facility Maintenance	Fencing of New Council Chamber Precinct Area from VIC to the New Council Chamber	City CBD	Percent	0	0	100%	Fencing of New Council Chamber and Jack Botes Hall Precinct Area from VIC to the New Council Chamber	100%	None.	None	Donation letter, Council Resolution and Delivery note.
CWP_153 (A)	Director Corporate and Shared Services	Facility Maintenance	Construction of Mankweng Traffic and Licensing Testing Center	Mankweng Cluster	Percent	3 500 000	2 488 852	100%	Clear view perimeter fence	45%	The Contractor took long to submit contractual documentation (Safety Files) for approval.	The documents have been submitted and Contractor started with work on site.	Invoices for site establishment and materials on site including professional fees and pictures and Progress Report
<b>Directorate Corporate and Shared Services - ICT</b>													
CWP_154	Director Corporate and Shared Services	Information Communication Technology	Procurement of Laptops, PCs and Peripheral Devices	All Wards	Percent	CRR 3 190 808 FMG 326 900 ISDG	3 240 362  537 050	100%	Procured Laptops	100%	None.	None	ICT project report, delivery note and invoice

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
						514 720	579 060						
CWP_155	Director Corporate and Shared Services	Information Communication Technology	Implementation of ICT Strategy	All Wards	Percent	0	0	100%	Project Closure Report and Functionality Test Report	0%	The budget was not sufficient to implement ManageEngine and transferred to procurement of computers during budget adjustment.	Allocation of sufficient budget	N/A
CWP_156	Director Corporate and Shared Services	Information Communication Technology	Network Upgrade	All Wards	Percent	362712	315911	100%	Project Closure Report and Functionality Test Report	100%	None.	None	Report and Purchase Order.
<b>Directorate Corporate and Shared Services - Fleet Management</b>													
CWP_157	Director Corporate and Shared Services	Fleet Management Services	2X security Panel van	All Wards	Percent	0	0	50%	Delivery of ordered fleet in line with the needs and specifications	0%	Could not be implemented due to cost comparison from Tender to procuring through RT57 contract	Expedite of RT57 contract process	Quotations and emails to SCM
CWP_159	Director Corporate and Shared Services	Fleet Management Services	Acquisition of fleet - Refuse Trucks	All Wards	Percent	9 157 665	2 607 100	50%	Delivery of ordered fleet in line with the needs and specifications	25%	1 grader delayed at the port and to be delivered in July 2024	Follow-up on delivery with the service provider	Invoice and delivery note and appointment letter of service provider
<b>Directorate Community Services - Sports and Recreation</b>													
CWP_160	Director Community Services	Sports and Recreation	Grass Cutting equipment's	Municipal Wide	Percent	597 651	880 752	100%	Procured tractor mounted Slashers, Bush cutters, Hedge trimmer	100%	None.	None	Delivery note and Invoice

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_161	Director Community Services	Sports and Recreation	EXT 44/78 Sports and Recreation Facility	8	Percent	CRR 5 574 795 IUDG 6 010 688	3 368 244 6 010 688	50%	Construction of grandstand and change rooms	82.5%	None.	None	Project progress report and summary of claims
CWP_162	Director Community Services	Sports and Recreation	Construction of Sebayeng / Dikgale Sport Complex	Sebayeng / Dikgale Cluster (24,29,32,30,31,33)	Percent	0	0	100%	Appointment of the contractor	100%	None.	None	Appointment letter
CWP_163	Director Community Services	Sports and Recreation	Upgrading of Mankweng Stadium-roadworks	25	Percent	0	0	100%	Appointment of the Consultant	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented.	Consultant report on priced Bill of Quantities and Contractor appointment letter
CWP_164	Director Community Services	Sports and Recreation	Procurement of fields maintenance equipment's	Municipal Wide	Percent	0	0	100%	Procured Pitch Rollers, Scarifying machine, hollow tinning machine, verti-drain machine and ride on lawn mower and tractor mounted blower mower	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. The project will be re-advertised in 2024/2025 financial year	Budget Segment attached and Email inquiries made
CWP_165	Director Community Services	Sports and Recreation	Procurement of Sports Fields Poles and Nets	Municipal Wide	Percent	644 759	544606.83	100%	Delivery of Poles, and Netball Soccer Posts	100%	None.	None	Official Purchase Order and Works Order attached Delivery note and Invoice
CWP_167	Director Community Services	Sports and Recreation	Refurbishment of the City Swimming Pool	City CBD	Percent	388620	0	100%	Installed Scum Channels	100%	None.	None	Scum Channels delivery note, invoice, official purchase

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
													order and photos
CWP_168	Director Community Services	Sports and Recreation	Refurbishment of the Nirvana Swimming Pool	19	Percent	4 967 146	4 810 742	100%	Installed plant room equipment	100%	None.	None	Completion certificate
CWP_169	Director Community Services	Sports and Recreation	Construction of Softball stadium in City Cluster	City Cluster	Percent	351 440	351 440	100%	Appointment of the contractor	100%	None.	None	Appointment letter
CWP_170	Director Community Services	Sports and Recreation	Molepo Sports Complex	1, 2, 3, 4, 5	Percent	863 588	863 588	100%	Construction of the Sports Complex	0%	The deviation report was referred by BAC for corrections	The corrected deviation report will be submitted to BAC for approval in 2024/2025 financial year	Deviation Report
CWP_170 (A)	Director Community Services	Sports and Recreation	Upgrading of Seshego Stadium	13	Percent	9 739 130	9 366 922	100%	Upgrading of Seshego Stadium	100%	None.	None	Progress Report
CWP_171	Director Community Services	Cultural Services	Collection development - books	All wards	Percent	291 902	172 932	100%	Purchased and delivery of books	100%	None.	None	Project closed in quarter 3
<b>Directorate Community Services - Waste Management</b>													
CWP_177	Director Community Services	Waste Management	Extension of landfill site (Weltevreden)	All wards	Percent	916 565	909 568	100%	Appointment of consultant for the implementation of the project	0%	The available budget only managed to pay for the issuing of license	Council approved budget for the implementation of this project in the next financial year	Budget segment and Invoice
CWP_178	Director Community Services	Waste Management	240 litre bins	All wards	Percent	0	0	100%	Supply and delivery	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	Delivery note and Invoice

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_179	Director Community Services	Waste Management	6 & 9 M3 Skip containers	All wards	Percent	1 304 348	1 291 082	100%	Supply and delivery	100%	None.	None	Delivery note and Invoice
CWP_180	Director Community Services	Waste Management	Ga- Maja transfer station (Planning)	2	Percent	829 163	829163.15	100%	Desings Payment certificate	100%	None.	None	Designs and Pay certificate
CWP_181	Director Community Services	Waste Management	Ga- Chuene transfer station (Planning)	1	Percent	829745	829744.85	100%	Desings EIA report Payment certificate	100%	None.	None	Designs and Pay certificate
CWP_182	Director Community Services	Waste Management	Molepo Transfer Station	1, 2, 3, 4, 5	Percent	434 783	434 417	100%	Completed Designs	100%	None.	None	Designs
CWP_183	Director Community Services	Waste Management	Construction of septic tank at Mankweng transfer station	Mankweng Cluster	Percent	0	0	100%	Excavation, build tank, connect pipes, lay French drain	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_184	Director Community Services	Waste Management	Purchase of Educational and Awareness equipment	20, 25	Percent	0	0	100%	Delivery of material	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_185	Director Community Services	Waste Management	No dumping Boards	All wards	Percent	434 783	434 010	100%	Delivery and completion	100%	None.	None	Tax Invoice and Delivery note
<b>Directorate Community Services - By-Law Enforcement and Security</b>													
CWP_188	Director Community Services	By-Law Enforcement and Security	Installation of CCTV cameras within the City CBD	39	Percent	653 560	653 559	100%	Delivery and installation of five (5) CCTV camera sets	100%	None.	None	Invoices and delivery note.
CWP_189	Director Community Services	By-Law Enforcement and Security	Provision two way radios	All Clusters	Percent	181 990	181 989	100%	Delivery of forty (40) two-way radios	100%	None.	None	Invoice and delivery note



IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_190	Director Community Services	By-Law Enforcement and Security	Provision of Access Control Systems and equipment	All Clusters	Percent	783	0	100%	Installation of Access control systems at three (3) Municipal sites	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_191	Director Community Services	By-Law Enforcement and Security	Supply and delivery of mobile guard houses	All Clusters	Percent	0	0	100%	Delivery of guard houses	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_192	Director Community Services	By-Law Enforcement and Security	Purchase of Firearms	All wards	Percent	0	0	100%	Delivery of fire arms	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_193	Director Community Services	By-Law Enforcement and Security	CCTV and Access control maintenance tool Kit	All wards	Percent	83 376	82 340	100%	Delivery of CCTV & Access control maintenance tool Kit	100%	None.	None	Poe submitted in the second quarter.
<b>Directorate Community Services - Disaster Management and Fire Services</b>													
CWP_194	Director Community Services	Disaster Management	Acquisition of fire Equipment	23	Percent	86 049	106 266	100%	Delivery of the fire equipment	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. Has been re-advertised.	The re-advertisement notice
CWP_195	Director Community Services	Disaster Management	Miscellaneous equipment and gear / Ancillary equipment	23	Percent	292 642	68 700	100%	Delivery of the ancillary equipment	100%	None.	None	Bid specification and invoice

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_196	Director Community Services	Disaster Management	Hydraulic equipment	23	Percent	1 584 210	1 209 340	100%	Delivery of the hydraulic equipment	100%	None.	None	Bid specification document and invoice
CWP_198	Director Community Services	Disaster Management	Multipurpose branches Monitors	23	Percent	0	0	100%	Delivery of the multiple branches equipment	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_199	Director Community Services	Disaster Management	Rescue ropes / high angle	23	Percent	585 285	446 390	100%	Delivery of the high angle or ropes	100%	None.	None	Bid specification document and invoice
CWP_201	Director Community Services	Disaster Management	Industrial Fire Fighting portable Pumps	23	Percent	2 466	0	100%	Delivery of industrial portable pump	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
<b>Directorate Community Services - Environmental Management</b>													
CWP_202	Director Community Services	Environmental Management	Refurbishment of Game Reserve facilities	20	Percent	4 969 372	4 133 427	100%	Renovation of one chalet.	100%	None.	None	Tax invoice and pictures
CWP_203	Director Community Services	Environmental Management	Upgrading of municipal nursery	City	Percent	928 922	669 077	100%	Repair glasshouse cooling system	100%	None.	None	Invoice and picture of pump
CWP_204	Director Community Services	Environmental Management	Grass cutting equipment's	Municipal Wide	Percent	2 573 696	1 445 472	100%	Procurement of grass cutting equipment	100%	None.	None	Tax invoice and delivery note
CWP_205	Director Community Services	Environmental Management	Greening programme	Municipal wide	Percent	1 024 575	1 019 935	100%	Supply and delivery of trees	100%	None.	None	Delivery note and Tax Invoice

IDP Ref No.	Responsible SBU	Responsible Owner	Project	Area	Unit of Measurement	Budget 2023/24	Year to Date Actual Expenditure 30 June 2024	Revised Annual Target	Annual Project Output 2023/24	Actual Performance 2023/24	Performance Challenges	Corrective Measures	POE
CWP_206	Director Community Services	Environmental Management	Development of a regional parks In Rural Areas	Municipal wide	Percent	1 010 990	54 468	100%	Submission of approved plans and design	100%	None.	None	Final Designs
<b>Directorate Community Services - Traffic and Licensing</b>													
CWP_208	Director Community Services	Traffic and Licensing	Procurement of 2 x equipped mobile Bus	Municipal wide	Percent	0	0	100%	Delivery and payment	0%	High volume of bids received by Supply Chain Management thus affecting appointments	The resources within SCM have been augmented. To be re-advertised in 2024/2025 financial year	N/A
CWP_209	Director Community Services	Traffic and Licensing	Upgrading of City traffic & licensing centre	Ladanna	Percent	6 970 038	3 218 976	100	Completion of phase one	100%	None.	None	Completion certificate and payment certificate
CWP_210	Director Community Services	Traffic and Licensing	Container Mankweng Traffic	Mankweng Cluster	Percent	782 000	679 990	100%	Delivered container	100%	None.	None	Appointment letter and invoice.

6. B.7 Performance on National General Key Performance Indicators

Section 43 of the Local Government: Municipal Systems Act, Act 32 of 2000 and the Local Government Performance Regulations of 2001 require the municipality to report on the national general key performance indicators. The table below depicts how Polokwane Municipality performed on the National General Key Performance Indicators.

Table 5: National General Key Performance Indicators

National General Key Performance Indicator	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21	Annual Target 2021/22	Actual Performance 2021/22	Annual Target Planned for 2022/23	Actual Performance Achieved 2022/23	Annual Target Planned for 2023/24	Actual Performance Achieved 2023/24
Increase percentage of Households with access to water	0.75% (1800HH)	0.82 A total of 1967 households were provided with Water. (1614 rural households and 353 urban connections achieved)	1% 2391 Households	0.89% A total of 2146 households were provided with Water. (1827 rural households and 319 urban connections achieved)	0.30%	0.89% (2052hh)	0.90% (2160HH)	2.04% (4883 Households)  Target  Achieved.  * 4462 Households increase in access to water. 421 Urban Connections. Total = 4883	0.30%	0.85% (2036 HH)	0.40 % (997 hh)	1.25% (3109 hh)
Increase percentage of Households with access to sanitation	1.15% (2745) [510 & 490 - Sebayeng; 617 - Chuene/Maja; 600 - Mankweng; 528 Moletjij]	1.25 A total of 3002 households were provided with sanitation. (2745 VIP units were completed and 257 urban connections achieved)	0.61% (1578 HH)	1.15% A total of 2753 households were provided with sanitation. (2432 VIP units were completed and 321 urban connections achieved)	1.8%	1.07% (2565hh)	0.75% (1800HH)	0.31% (731 Households)  Target Not Achieved.  * Contractor is 79 % in progress and has completed 343 top structure units.  388 Urban Households Connected  Total = 731	1.68%	0.07% (168)	1.75% (4365 hh)	0.68% (1704 hh)

National General Key Performance Indicator	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21	Annual Target 2021/22	Actual Performance 2021/22	Annual Target Planned for 2022/23	Actual Performance 2022/23	Annual Target Planned for 2023/24	Actual Performance Achieved 2023/24
Increase percentage of Households with access to electrification	0.99% (2367)	0.56 Total of 1344 provided with electricity (305 Urban connections and 1039 Rural connections)	0.97% (2333 HH)	0.78% Total of 1874 provided with electricity (244 Urban connections and 1630 Rural connections)	1%	0.26%	0.37%	0.83% (1993 Households)	1.1%	0.24% (594 HH)	0.5% (1247 hh)	0.51% (1277 hh)
Percent of Households with access to waste removal services	0.08% (200 HH)	0.23% New (541 households ) received weekly refuse removal service	0.04% (100 HH)	0.06%	0.04%	0.285%	0.01%	0.10% (228 Households). Target achieved. Target achieved 228 new households received weekly waste collection in the urban areas that translate into 0.10%	0.08%	0.16% (396 HH)	0.10% (249 hh)	0.17% (424 hh)
Percentage of Households with access to free basic services to all qualifying households in the municipal's area of jurisdiction	100%	100% of indigent registered received benefits	100% of indigent registered received benefits	100%	100% of indigent registered received benefits	100% (13 196)	100%	Target Achieved. Indigent registration was done through walk ins, and the roadshows conducted. indigent vetting reduced the numbers but all indigents are receiving free basic services	100%	100%	100% Beneficiary registered on the indigent register	100% (10 396 registered on the indigent register)
Percentage of municipality capital budget actually spent on capital projects	100%	45% was spent in the last 6 months of the financial year. The total capex was 29% at mid-year	100%	93%	100%	84%	85%	Target Achieved. Total spending is at 85% inclusive Capital Replacement Reserve, Total Grants spending is at 86%	100%	95%	100%	99.89%

National General Key Performance Indicator	Annual Target 2018/19	Actual Performance Achieved 2018/19	Annual Target 2019/20	Actual Performance 2019/20	Annual Target 2020/21	Actual Performance 2020/21	Annual Target 2021/22	Actual Performance 2021/22	Annual Target Planned for 2022/23	Actual Performance Achieved 2022/23	Annual Target Planned for 2023/24	Actual Performance Achieved 2023/24
Number of job opportunities created through Municipal sponsored trading	180	223 of opportunities created through Municipal sponsored trading	185	153	2	0	10	Target was not achieved due to COVID 19 regulations, as events for job opportunities are still restricted. Municipal sponsored trading opportunities that happen during events hosted in	20	136	170	226
Number of job opportunities created through the EPWP (Temporary Job Opportunities)	4249	2771 work opportunities created and reported on the Department of Public Works system supported by ID copies as POE. Reported as per the Department's financial year period	3636	2164	3653	3552	4215	Target Achieved.  A cumulative number of work opportunities as at end of quarter 4 is 4215.			3 665	3284
Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's employment equity plan (i.t.o. Employment equity Act only white males and foreigners are excluded)	5	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100%	100%  Appointed 7 employees (5 Males and 2 Females)
One Percentage of a municipality's employee budget actually spent in implementing its Workplace Skills Plan in line with the National Treasury Norm by 30 June 2024	1%	1%	1%	1% (R9.1m)	1%	1% (10.8m)	1%	1% (5 721 014.00)	1%		1%	1% (4 163 877, 5)

**7. B.8 Municipal Performance Assessment of Service Providers for 2023/24 Financial Year**

Capital infrastructure projects are managed by the PMU-SBU in the municipality. The PMU-SBU manages these projects' performance using various mechanisms as outlined below:

- Weekly progress reporting through Project Managers and appointed consultants.
- Regular site visits.
- Monthly and quarterly contractor consultant's meetings.
- Ad hoc intervention meetings with relevant directors or the accounting officer were required.
- Monthly reporting to various relevant portfolios.

Weekly progress reports are prepared by project managers and appointed professional service providers to monitor and provide feedback on project progress. The reporting template also make provision for the report to record rating of both contractors and consultants and ad hoc verbal ratings are obtained at scheduled contractor consultant's meetings. The rating criteria is outlined in annexure A. The rating guideline has been developed in 2016 by the PMU according to ECSA project stages to weigh the service providers in various key performance areas of executing their respective projects.

The rating scales are as follows:

Performance Rating Scale (All ratings less than 1 will be rounded up to 1)

5 = Outstanding performance, far above the target

4 = Performance above expectations

3 = Fully effective, performance meet the standard

2 = Not fully effective, performance below standard

1 = Unacceptable

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
1	Paving of AKI streets in RDP section SDA1 (Luthuli)	IUDG	PM31/2021	Project implementation monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings,	Nkgo/Xilumani Project Managers	3	Fully effective, performance meet the standard	Cascade Pivotal projects	1	Not fully effective, performance below standard	14/06/2022	Project not yet completed	Project delayed by court interdict. Contractor has gone back to site but progress is slow. Contractor is put on terms, given 14 days to complete the remaining work. Failure to which

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				capitalize and commission the asset									termination letter will be recommended.
2	Paving of internal streets in Mountain view	IUDG	PM53/2022	Project implementation monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Sebego Maloka and Viljoen Civil Engineers	3	Fully effective, performance meets standard	Brunel Engineering	3	Fully effective, performance meets standard	11/12/2023	15/07/24	Delays due to relocation of existing services. Consultant busy with the variation order (VO)
3	Paving of internal streets at Mankgaile, Ga-Mokoatedi to D4040 until GaRachidi	IUDG	PM53/2022	Project implementation monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	BWM Projects	3	Fully effective, performance meets standard	Iceburg Trading 751	4	Performance above expectations	5/12/2023	12/6/24	Project Practically Completed. Contractor busy with snaglist. Scope of works to be extended to provide adequate Stormwater management control of the RAL road. Proposed Stormwater drawings submitted to RAL for review and approval.
4	Upgrading of access Roads from Ga Thaba in Molepo,	IUDG		Conduct feasibility study on site, prepare scoping report and undertake Geotechnical	Ralema Consulting Engineers	3	Fully effective, performance meets standard	Not yet appointed	N/A	N/A	Not yet started	Project not yet completed	Project on Planning



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Chuene, Maja cluster			investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									
5	Paving of internal streets in Seshego Zone 1	IUDG	PM53/2022	Project implementation monitor the implementation of the project cash flow and programme during	Chiefton Facilities Management	2	Not fully effective, performance below standard	Bateline Investments	4	Performance above expectations	11/12/23	7/07/24	Late submission of reports by consultant. Project has reached practical completion. Contractor busy

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				construction phase, complete asbuilt drawings, capitalize and commission the asset									attending to snaglist.
6	Paving of 54th and 58th avenue in Seshego Zone 2	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings,	Paedom Investments	3	Fully effective, performance meet the standard	Bateline Investments	3	Fully effective, performance meet the standard	22 April 2024	20 September 2024	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				capitalize and commission the asset									
7	Paving of 67th,78th,79th and 80th streets in Seshego Zone 3	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and	Paedom Investments	3	Fully effective, performance meet the standard	Chat Connections	2	Not fully effective, performance below standard	22 April 2024	22 October 2024	Slow progress and poor planning by the Contractor. A written notice was issued to the Contractor to improve the rate of progress.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
8	Paving of 57th street in Seshego Zone 4	IUDG	PM53/2022	Project implementation monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Orbitals projects	2	Not fully effective, performance below standard	Poppe Maphori Supply Services	3	Fully effective, performance meets standard	23/11/2023	17/05/24	Late submission of reports by consultant. Project has reached completion.
9	Paving of internal streets in Seshego Zone 5	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon	VNMM Holdings	2	Not fully effective, performance below standard	Malerate Construction	3	Fully effective, performance meets standard	25 April 2024	11 November 2024	Lack of commitment by the Consultant. VNMM has been conscientize and requested to improve.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									
10	Paving of internal street from the hostel to Oliver Tambo road in Seshego Zone 6	IUDG	PM53/2022	Appoint a contractor monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	Kgoshigadi Consulting	2	Not fully effective, performance below standard	T Tlou Investments  New Contractor  Bo-Mamohlala Projects	1    3	Contractor was terminated   Fully effective, performance meets standard	13/05/24	14/11/25	Contractor terminated, a new contractor to complete outstanding works and start with the new scope was allocated   Lack of commitment by the Consultant
11	Upgrading of road from Mohlonong to Kalkspruit	IUDG	TBC -	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical	Zakumi consulting engineers	3	Fully effective, performance meets standard	DN DLUDLU	3	Fully effective, performance meets standard	3/06/24	3/12/24	Project commenced late due to disputes relating to Village

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									border demarcations.
13	Paving of streets in Moletjie Cluster (ward 35) (Paving of internal street	IUDG	PM53/2022	projects, hand over the project to appointed contractor monitor the implementation of the project cash flow and	Chiefton facilities	3	Fully effective, performance meets standard	HLTC	4	Performance above expectations	20/11/2023	9/4/2024	Project practically completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	in Ga Rankhuwe)			programme during construction phase, complete as built drawings, capitalize and commission the asset									
14	Paving of internal streets in Seshego Cluster (Ward 14)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	AES consulting	3	Fully effective, performance meets standard	Farisa Construction	2	Not fully effective, performance below standard	10/11/2023	Project not yet completed	Slow progress due to lack on site. Encountering of existing services and hardrock during excavations for stormwater. Delays in the supply of paving block and stormwater pipes through cessions. Existing services to be relocated. Contractor was advised to fast track the sourcing of blasting service provides and the sourcing of material from other service providers.
15	Paving of streets in SDA1 (Paving of Dwars Street Connecting ext	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the	Klok Engineers	3	Fully effective, performance meets standard	Mocheku/Motsewaku JV	2	Not fully effective, performance below standard	13/11/2023	Project not yet completed	The was slow progress on site. The project has reached practical completion stage. Contractor busy

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	40 and 78.(Ward 08)			implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									attending to snaglist
16	Paving of streets in Sebayeng /Dikgale Cluster (Paving of internal street at Madiga)Ward 29)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	Muteo Consulting engineers	3	Fully effective, performance meets standard	Shabback Business Enterprise	3	Fully effective, performance meets standard	23/11/2023	30/05/24	Project completed
17	Paving of streets in Mankweng Cluster (Paving of street in Mothiba tribal	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor	Kgosihadi Consulting	3	Fully effective, performance meets standard	Capotex Trading Enterprise	2	Not fully effective, performance below standard	23/11/2023	30/05/24	Slow progress on site. Community disruptions in the ward.  Unavailability of borrow pit. The



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	office and Paving of internal street from University road to Makanye primary school			the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									contractor was approved to source the material commercially
18	Paving of streets in Molepo, Maja Chuene Cluster (Paving of Kopermyn internal road Ga- Maja)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset	Superior quality engineering	3	Fully effective, performance meets standard	Polokwane Surfacing	3	Not fully effective, performance below standard	22/02/2024	24/06/2024	Project practically completed. Contractor busy with snaglist
19	Paving of streets in Aganang Cluster (Paving of	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed	Acute innovation	3	Fully effective, performance meets standard	Down Low Construction and Projects	3	Fully effective, performance meets standard	17/11/2023	18/05/24	Project practically completed. Contractor busy with snaglist

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	internal street at Ceres)			design, monitor the implementation of the project cash flow and programme during construction phase, complete as built drawings, capitalize and commission the asset									
20	Paving of internal street in Gadikgale (Moshate)	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the	T2-Tech Engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				implementation of the project cashflow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
21	Upgrading of streets in Nirvana extension	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cashflow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and	Morwa Consulting Engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed. Awaiting contractor appointment.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
22	Construction of Non-Motorised Transport Infrastructure in Polokwane	CRR	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Royal HaskoningD HV (PTY) LTD	3	Project completed	Blue Dot G Services	3	Project completed	26/10/24	08/12/23	Project completed
24	Paving of Cebio and Lemur streets in Westernburg RDP Section (Phase 2)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme	Banareng project Managers	3	Fully effective, performance meets standard	Zacks Business Enterprise	2	Not fully effective, performance below standard	06/11/2023	26/06/2024	Slow progress due to contractor's inability to purchase materials'. Contractor put on terms to speed up progress

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				during construction phase, complete asbuilt drawings, capitalize and commission the asset									
25	Upgrading of access road in Ga Makgoba	IUDG	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	SMV Civil Engineers	3	Not fully effective, performance below standard	Makeyise Trading and Projects	3	Fully effective, performance meets standard	7/12/2023	30/8/24	Challenges with the tribal office wanting to commercial the borrow pit. Matter resolved. Contractor progressing well
26	Upgrading of road from Nobody Traffic circle to Moshate Mothapo	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a	Zakumi Consulting Engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cashflow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
27	Completion of road from Phomolong to Makgwareng	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the	Zakumi Consulting Engineers	3	Fully effective, performance meets standard	N/A	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
28	Upgrading of road from Spitzkop to Segwasi	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Nkgo Professional services JV	3	Fully effective, performance meets standard	Venaqua Holdings	3	Fully effective, performance meets standard	23/11/2023	24/10/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
29	Upgrading of road from Titibe to Marobala and Makgoba	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	T2-Tech Engineers	3	Fully effective, performance meets standard	N/A	N/A	N/A	Not yet started	N/A	Detailed Design completed



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
30	Tarring of Roads from Tshebela to Moshate	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Mapco Projects and Development	3	Fully effective, performance meets standard	Maloka Machaba Surfacing	4	Performance above expectations	14/02/2024	07/10/24	None
31	Upgrading of road from Silicon to Matobole	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Mapco Projects and Development	3	Fully effective, performance meets standard	Lilithalethu Trading 41 cc	3	Fully effective, performance meets standard	04/04/2024	25/10/2024	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
32	Upgrading of road from Maja Moshate to Feke	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Mapco Projects and Developments	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Design completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
33	Installation of Traffic Lights Within City CBD	CRR	Pm68/2021	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Mapoxe consulting Engineers	Project completed	Fully effective, performance meets standard	KingKI electrical	N/a	Project completed	14/06/2023	19/09/2023	Project completed
34	Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	IUDG	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Aphane Consulting Engineers	3	Fully effective, performance meets standard	Chat Connection Enterprise	3	Fully effective, performance meets standards	23/11/2023	28/06/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
35	Paving of road in ga Thoka from reservoir to Makanye 4034	IUDG	PM53/2022	hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Ralema consulting Engineers	3	Fully effective, performance meets standard	Chisa Multi Projects	1	Not effective at all, Unacceptable performance	23/11/2023	27/07/2024	Slow progress on site by the contractor.  Community protest.  Contractor to fast track implementation on site. Contractor put on terms
36	Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	IUDG	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Zakumi Consulting engineers	3	Fully effective, performance meets standard	PJMJ	3	Fully effective, performance meets standard	04/06/2024	28/02/2025	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
37	Paving of internal street from Solomondale to D3997 (ward 32)	IUDG	TBA	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Nemorango consulting engineers	3	Fully effective, performance meets standard	Rural Blue Belt	2	Fully effective, performance meets standard	29/11/2023	14/06/24	None
38	Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and	Nkgo Professional services JV	3	Fully effective, performance meets standard	Venaqua Holdings	2	Not fully effective, performance below standard	17/04/24	17/12/24	Slow progress

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
39	Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)	IUDG	TBA	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project	Zakumi Consulting engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Detailed Designs completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
40	Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road (ward 38)	IUDG	PM53/2022	projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset	Kgosihadi Consulting	3	Fully effective, performance meets standard	Mamayile /RM Mashaba JV	2	Not fully effective, performance below standard	04/12/2023	15/06/24	Cash flow challenges  Contractor to submit a catch-up plan for lost time
41	Paving of Internal Street in Ga Ujane to	IUDG	PM53/2022	projects, hand over the project to appointed	TTM & Associates	3	Fully effective, performance	Saatchi Civil Engineering	3	Fully effective, performance	30/11/2023	23/06/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	D3363 (ward 40)			contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset			meets standard			ce meets standard			
42	Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed	SMV civil engineers	2	Not fully effective, performance below standard	Sabela Mathaba Construction	3	Not Fully effective, performance meets standard	06/5/2024	12/11/2024	None



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
43	Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation	SMV civil engineers	3	Fully effective, performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Designs completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
44	Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme	SMV civil engineers	2	Fully effective , performance meets standard	DN DLUDLU	3	Fully effective , performance meets standard	06/05/2024	1/11/2024	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				during construction phase, complete asbuilt drawings, capitalize and commission the asset									
45	Upgrading of storm water system in municipal area	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete	Muteo Consulting Engineers	2	Not fully effective, performance below standard	TBA	N/A	N/A	Not yet started	N/A	Delay in finalizing designs  Consultant to fast track finalization of designs

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				asbuilt drawings, capitalize and commission the asset									
46	Construction of Storm Water in Ga Semanya	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Endecon Ubuntu	3	Fully effective , performance meets standard	TBA	N/A	N/A	Not yet started	N/A	Designs completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
47	Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Muteo Consulting Engineers	2	Not fully effective, performance below standard	TBA	N/A	N/A	Not yet started	N/A	Delay in finalizing designs  Consultant to fast track finalization of designs

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
49	Upgrading of Storm Water in Seshego	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Superior quality Engineering	2	Not fully effective, performance below standard	TBC	N/A	N/A	Not yet started	Project not yet completed	Delay in finalizing designs  Consultant to fast track finalization of designs

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
50	Upgrading of storm water in Polokwane ext. 76	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	AES Consulting engineers	3	Fully effective, performance meets standard	Malerate Construction	3	Fully effective, performance meets standard	17/11/2023	12/7/24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
51	Upgrading of Storm Water in Sterpark; Flora Park; and Fauna Park	IUDG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and	Morwa Consulting Engineers	2	Not Fully effective, performance below standard	TBA	N/A	N/A	Not yet started	N/A	Delay in finalizing designs  Consultant to fast track finalization of designs



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				commission the asset									
52	Construction of Storm water Canal Phase 2 in Seshego	NDPG	PM11/2021	Detection of existing services, Demolition of existing structures, Mass earthworks, Construction of pavement layers Construction of NMT facilities, Construction of precast culverts, Construction of Stormwater drainages, Installation of street lighting, Landscaping, Road signs and markings.	AMCE	2	Not Fully effective, performance below standard	Makeyise Trading and projects	2	Not Fully effective, performance below standard	30-Mar-23	16-Apr-24	Contractor unable to work on Moletjie, Ditlou and 54 <sup>th</sup> streets due to disagreement of streets closure with Seshego taxi association.
52	Hospital view additional roads	NDPG	PM96/2021	Relocation of existing services, Box cutting, Roadbed, Subbase, Base, Prime coating, Surfacing, Kerbing Construction of NMT, Installation of street lighting, Landscaping, Road signs and markings.	AMCE	2	Not Fully effective, performance below standard	Eternity star investments	1	Not effective at all, Unacceptable performance	03-Feb-23	18-Feb-24	Slow progress on site. The contractor is on penalties.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
53	Construction of Municipal Cluster Offices	NDPG	TBC	TBC	Endecon Ubuntu Limpopo	N/A	N/A	TBC	N/A	N/A	Not yet started	N/A	Planning only
54	Construction of Safe Hub at Seshego(Planning)	NDPG	TBC	TBC	Ndidali Quantity surveyors	N/A	N/A	TBC	N/A	N/A	Not yet started	N/A	Planning only
55	Construction of Nelson Mandela, Bokelo, Ditlou Crossing	NDPG	PM95/2020	Relocation of existing services, Box cutting, Roadbed, Subbase, Base, Prime coating, Surfacing, Kerbing Construction of NMT, Installation of robots, Road signs and markings.	AMCE	2	Not Fully effective, performance below standard	Zacks Business Enterprise	1	Not effective at all, Unacceptable performance	07-Jun-23	26-Jun-24	Slow progress on site. Cash flow constraints.  Delays on relocation of services.
56	Paving of Internal Street connecting 137 <sup>th</sup> and Helen Joseph roads in Seshego Zone 8	IUDG	PM53/2022	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare	Zakumi Consulting Engineers	3	Fully effective, performance meet the standard	Poppe Maphori	2	Not fully effective, performance below standard	07/05/24	22/01/25	Slow progress by contractor due to key personnel resigning.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset									
TRANSPORTATION SERVICES													
1	Marketing, Communication and Stakeholder Relations	PTNG	PM19/2021	Provision of marketing and communication and stakeholder relations for Leeto La Polokwane	Synnect (Pty) Ltd	4	Performance above expectations	N/A	N/A	N/A	01-Jul-23	30-Jun-24	None
2	Taxi Industry Specialist Advisory	PTNG	PM19/2021	Provision of Taxi Industry Specialist Advisory for	Siyazi Limpopo Consulting Services	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Leeto La Polokwane									
3	Transport Operations and Systems Planning	PTNG	PM19/2021	Provision of Technical Advisory Services for the planning and operations of Leeto La Polokwane	BM Consulting	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None
4	Independent Facilitation	PTNG	PM19/2021	Facilitation of engagement between the City and the Taxi Industry	Tariq Enterprises and Projects	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None
5	Project Management Services	PTNG	Pm19/2021	Provision of project management service for all workstreams under Leeto La Polokwane	Bright Ideas	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None
6	Business and Financial Planning	PTNG	PM19/2021	Provision of Business and Financial Planning of Leeto La Polokwane	Masala Ramabulana Holdings	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24	None
7	7.	Intelligent Transport System Modelling	PTNG	PM 19/2021	System Modelling ,and Monitoring the maintenance of Automated	Zanecebo Consulting	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					Fare Collection (AFC) and Public Transport Management Systems of Leeto La Polokwane operations								
8	8.	Universal Access (UA) Specialist	PTNG	<b>PM19/2021</b>	Monitoring of Universal Access Compliance for Leeto La Polokwane	Mohlodi Advisory	4	Performance above expectations	N/A	N/A	None	01-Jul-23	30-Jun-24
9	9.	Maintenance of Automated Fare Collection (AFC) and Public Transport Management Systems of Leeto La Polokwane operations	PTNG	<b>PM69/2017</b>	Maintenance of Automated Fare Collection (AFC) and Public Transport Management Systems of Leeto La Polokwane operations	The Naked Scientist (TNS)	4	Performance above expectations	N/A	N/A	None	01-Feb-22	28-Feb-25
10	10.	Maintenance of Leeto la Polokwane buses	PTNG	<b>PM07/2022</b>	Maintenance of Leeto la Polokwane buses	Rikatec	3	Fully effective, performance meets standard	N/A	N/A	None	01-Mar-24	30-Mar-26

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
11	11	Refurbishment of existing Bus Daytime Layover facility buildings	PTNG	PM14/2020	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme	SMV Civil Engineers	2	Not Fully effective, performance below standard	Makeyise Trad & Ent	2	Not Fully effective, performance below standard	23-May-23	Project not yet completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					during construction phase, complete asbuilt drawings, capitalize and commission the asset								
12	12	Upgrading of Road Ways on Nelson Mandela	PTNG	PM14/2020	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor	SMV Civil Engineers	1	Not effective at all, unacceptable performance	Makeyise Trad & Ent	1	Not effective at all, unacceptable performance below standard	23-May-23	Project not yet completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
13	13	Construction of Bus Depot civil works in Seshego	PTNG	PM14/2020	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project	SMV Civil Engineers	2	Not Fully effective, performance below standard	Makeyise Trad & Ent	2	Not Fully effective, performance below standard	TBC	Project under implementation



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
14	14	Construction of roadways and civil works at Genl Joubert Bus Station;	PTNG	PM15/2020	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation,	Tsholetso Projects	n/a		Mashige Bldg Constr & Conslt (Completed in	n/a	23/03/2021	n/a	Project completed in Nov 2022

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
		Upgrading of Roadways on the Transit Mall -			Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and				2022/2023 FY)				

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					commission the asset								
15	15	Construction Bus Depot (upper structures) in the Seshego	PTNG	TBC	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the	Chiefton Facilities Management	2	Not Fully effective, performance below standard	TBC	n/a	n/a	TBC	Project not yet under implementation-under planning

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
16	16	Construction Bus Station (upper structures) in the CBD	PTNG	PM74/2018	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over	Tsholetso Projects	2	Not Fully effective, performance below standard	Matakanye Construction	2	Not Fully effective, performance below standard	Nov-23	Practical completion issued 26 Jan 2024

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
17	17	Widening and upgrading of Sandriver Bridge	PTNG	PM100/2020	Conduct feasibility study on site, prepare scoping report and undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a	Tsholetso Projects	2	Not Fully effective, performance below standard	Tshidaho Construction Services	2	Not Fully effective, performance below standard	Nov-21	Project not yet completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings, capitalize and commission the asset								
18	18	PT facility upgrade ( Refurbishment of Indian	PTNG	TBC	Conduct feasibility study on site, prepare scoping report and	MAPCO Development	3	Fully effective , performance meets the standard	TBC	N/a	n/a	TBC	Project under planning

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
		centre taxi rank)			undertake Geotechnical investigation, Engineering survey to gather topographical layout, environmental study, draught a detailed design and project estimates for the project, prepare estimates and project cash flow projects, hand over the project to appointed contractor upon the endorsement of the detailed design, monitor the implementation of the project cash flow and programme during construction phase, complete asbuilt drawings,								

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
					capitalize and commission the asset								
<b>WATER AND SANITATION</b>													
1	Moletjie East RWS phase 15	IUDG	PM38/2022-01	Reservoir connections, gravity mains	Superior Quality Engineers and project managers	3	Fully effective , performance meets standard	Picabiz 367	3	Fully effective , performance meets standard	27-Mar-23	16 May 2024	Completion certificate signed on the 16 May 2024.
2	Sebayeng/Dikgale RWS Phase 10	IUDG	PM38/2022	Switching one (1) borehole from diesel to electricity; • Supply and erect two (9) precast pump house complete with locking devices.  . Supply of elevated 2x 20kl PVc Tanks in Ga-Potse, Ntsima and 4 20kl Syferkuil. Supply of 10 communal stand pipes. Each in Ga-Potse, Ntsima and Syferkuil.	Nemorango consulting engineers	3	Fully effective , performance meets standard	Makeyise Trading and Projects	2	Not Fully effective, performance below standard	19-Jan-24	19-Jul-24	Contractor progress was halted by community protests from 21 May 2024 to June 24 <sup>th</sup> 2024 in Syferkuil and Ntsima Village due cash flow challenges. Contractor was paid  Works at Ga-Potse village is still on hold due to community protest not in agreement with signed scope of work.
3	Houtriver phase 14	IUDG	PM80/2020	3.5 km reticulation at Montinti Park., 2km reticulation	SMV Consulting	2	Not fully effective, performance	Good example trading	3	Fully effective, performance	09-Mar-23	20-Feb-24	Project Practically complete



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				at Ga-Ramakgaphola. Equipping boreholes H04_2972 for Montinti Park and H04_2965 Leokama. Construct pump house for boreholes H04_0049 and H04_3082 to elevated Jojo tanks by Mabokelele and disinfection system boreholes connecting them to the existing pipelines. 267kl Elevated steel tank at Mahwibitshwane mountain.			below standard			ce meets standard			
4	Chuene Maja RWS phase 13	IUDG	PM51/2021/06	Borehole testing and Equipping. Installation Reticulation Pipelines. Installation of Elevated Steel Tank. Electrification of Boreholes.	Victory Development Projects/ Satsope Consulting Engineers JV	2	Not fully effective, performance below standard	Mocheku/Motsewak humo JV	2	Not fully effective, performance below standard	02-May-23	25-April-24	Slow progress by the contractor. Lack of water from the water treatment works for testing. The contractor has reached practical completion and is busy with snag list.
5	Molepo RWS phase 12	IUDG	PM38/2022-02	Ga-Mogano – 2000m of bulk reticulation of	Maloka Consulting Engineers	1	Not fully effective, performance	Mungona Holdings	1	Not fully effective, performance	19-Jun-23	16-Nov-23	Practically completed

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
				<ul style="list-style-type: none"> <li>diameter 90mm uPVC to and from Steel Tank.</li> <li>• 150KL (Ga-Mogano) Elevated Steel Tank</li> <li>• Equip borehole H16-0532</li> <li>• Construct a 2500m long, diameter 75mm uPVC rising main to the Ga-Sebati Reservoir</li> <li>• Siting and equipping of new borehole</li> <li>• Construct a 2000m long, diameter 75mm uPVC rising main for the new borehole</li> <li>• Communal connections (25 off)</li> </ul>			below standard			ce below standard				
6	Laastehoop RWS phase 12	IUDG	TBC	Planning	Sizeya Consulting	3	fully effective, performance meets the standard	N/A	N/A	N/A	Not yet started	N/A	Consulting is busy with technical report. Consultation with other stakeholders was done. Eskom was also engaged.	
7	Mankweng RWS phase 13	IUDG	TBC	TBC	Ralema Consulting Engineers	1	Not fully effective, performance	TBC	N/A	N/A	Not yet started	N/A	The Technical report was presented to the municipality following a	

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
							below standard						previously poorly submitted technical report, letter of dissatisfaction issued to the consultant.
8	Boyne RWS phase 12	IUDG	PM38/2022-03	Equip boreholes, refurbish infrastructure and reticulation extensions	Infra Projects Africa	3	Fully effective , performance meets standard	Paxana Solutions	3	Fully effective , performance meets standard	06-Apr-23	18-July-24	Delays by supplier of Steel Tank, Package plant and Electrification. More delays due to Road contractors removing section of pipeline and still have to reinstate it. Contractor granted extension.
9	Aganang RWS 2: Mahoai Phase 2	IUDG	PM38/2022-04	Drill and equip boreholes, reticulation, elevated steel tank and yard connections	Morwa Consulting engineers	3	Fully effective , performance meets standard	Down Low Construction	3	Fully effective, performance meets standard	02-May-23	31-Mar-24	On Practical Completion. Final Completion delayed because of Cable Theft on new Borehole
10	Bakone RWS: Ga-Phoffu Water Supply Phase 1	WSIG	PM38/2022	Refurbish existing Steel Tank. New reticulation	SMI Consulting group	3	Fully effective , performance meets standard	Maloka Machaba Surfacing	3	Fully effective , performance meets standard	06-Mar-24	06-Aug-24	Project Ongoing.
11	Bakone RWS: Ntlolane Water Supply Phase 1	WSIG	PM38/2022	Equip New Borehole, New rising and gravity main and Elevated Steel Tank	SMI Consulting group	3	Fully effective , performance meets standard	Capotex Trading Enterprise	3	Fully effective , performance meets standard	27-Feb-24	27-Jul-24	Project Ongoing

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
12	Mashashane Water Works Phase 2	IUDG	PM38/2022-14	Drill and equip boreholes, reticulation, elevated steel tank and yard connections	Victory Development projects/Sets opa Projects JV	3	Fully effective , performance meets standard	TLM Engineering Services	3	Fully effective, performance meets standard	05-May-23	15-Apr-24	Complete
13	Mothapo RWS phase 16	IUDG	P51/2021/02	2 new boreholes- Electrification, backup generator & float-switch- Steel Pipe rising main Ward 24 - Kotishing - Upgrade a segment of the existing rising main to Steel pipe Makotopong - Upgrade a segment of the existing rising main to Steel pipe Magwareng - Upgrade a segment of the existing rising main to Steel pipe Moshate - Provision of a new booster pump for existing borehole. Ward 6 - Thakgalang - Two Boreholes - Electrification, backup generator, float-	Hlayeleni	3	Fully effective, performance meets standard	Beten	2	Not fully effective, performance does not meet standard	13-Jun-23	30-June-24	Contractor is behind with the works on site. Extension of time was granted till 30 June 2024, contractor is on penalties from 1 July 2024.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				switch Ramathope - Two Boreholes - Electrification, backup generator, float-switch - Equipping existing non-operating Reservoir									
14	Chuene Maja RWS phase 11	IUDG	PM65/2019	Construction of 3ML reservoir, upgrading of WTW and installation of valve chambers.	Kgosihadi Consulting Engineers	2	Not fully effective, performance below standard	TN Molefe Construction/Take Note Trading JV	2	Not fully effective, performance below standard	23-Feb-20	23-Jan-24	complete
15	Segwasi RWS Phase 6	IUDG	PM38/2023	Refurbishment of boreholes, construction of pipelines in Losmycherry, Segwasi and Maigopeng, 2X50kl buffer tanks, 2850kl elevated tanks.	BWM Projects	2	Not Fully effective, performance below standard	Magand projects	2	Not Fully effective, performance below standard	11-Dec2023	12-July - 2024	Slow progress by the contractor. The contractor requested to catch-up on the remaining time to complete works.
16	Badimong RWS Phase 12	WSIG	PM47/2021	<ul style="list-style-type: none"> <li>• Construction of 3.3km rising main ranging from 90mm to 160mm</li> <li>• Installation of 12 Air Valves</li> <li>• Installation of 3 control valves</li> <li>• Upgrading of existing motors</li> </ul>	AES Consulting Engineers	3	Fully effective, performance meets standard	Mmakoto Business Enterprise	3	Fully effective, performance meets standard	24-Mar-23	29-Feb-24	Project Complete

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations	
				and pumps from Two (2) boreholes (H16-2298 and H16-2356 in Kgware Village) <ul style="list-style-type: none"> <li>• Installation of T-junction and valves on existing supply pipeline</li> <li>• Electrification of Seven (7) existing boreholes</li> </ul>										
17	Mashamaite	WSIG	PM22/2021	<ul style="list-style-type: none"> <li>• Supply and installation of a 300 KI elevated steel tank inclusive of foundations at 10m height.</li> <li>• Supply and installation of 520-yard connections.</li> <li>• Pipe line ancillaries (valves and meters).</li> </ul> Electrification of borehole	Superior Quality Engineers and project managers	2	Not fully effective, performance below standard, delays on Submission of Documentations required.	BoMamohlala Projects	N/A	N/A	10-Jun-22	29-Jun-23	Complete	
18	Makgodu	WSIG	PM14/2022	Equip boreholes, distribution lines, reticulation and yard connections	Superior Quality Engineers and project managers	2	Not fully effective, performance below standard, delays on Submission	Mmakoto Business Enterprise	N/A	N/A	20-Mar-23	23-Jul-23	Project complete	

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
							pf Documentations required.						
19	Aganang RWS 3: Mars Water Supply Phase 1	WSIG	PM13/2022	<ul style="list-style-type: none"> <li>• Equipping, electrification, fencing and commissioning of one (1) borehole (H04-0384)</li> <li>• Switching one (1) borehole from diesel to electricity; equipping, fencing,</li> <li>• Supply and erect two (2) precast pump house complete with locking devices.</li> <li>• Refurbishment of existing 108 kl elevated steel tank.</li> <li>• Refurbishment of existing 200 kl concrete reservoir.</li> <li>• Supply and installation of water lines as follows: <ul style="list-style-type: none"> <li>- 110mm Ø uPVC class 12 distribution main 261 m.</li> <li>- 90 mm Ø uPVC class 12</li> </ul> </li> </ul>	Superior Quality Engineers and project managers	3	Fully effective, performance meets standard	Madipadi construction	2	Not fully effective, performance below standard	23-Mar-23	01-Mar-24	Project complete

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				distribution main for 571 m. - 75 mm Ø uPVC class 12 rising main for 2388 m. - 63 mm Ø uPVC class 16 rising main for 378 m - 75 mm Ø uPVC class 12 reticulation pipelines for 1365 m • Supply and installation of 82 – metered yard connections									
20	Aganang RWS 3: Mars Water Supply Phase 2	WSIG	PM38/2022	<ul style="list-style-type: none"> <li>• Equipping, electrification, fencing and commissioning of 1 BH</li> <li>• New 108 kl elevated steel tank.</li> <li>• Supply and installation of 450 yard connections</li> </ul>	Superior Quality Engineers and project managers	3	Fully effective, performance meets standard	Blue Dot G Services	3	Fully effective, performance meets standard	07-Mar-24	07-Aug-24	Project Ongoing
21	Olifantpoort RWS Phase 2 Multi year	IUDG	PM63/2021	Upgrading and installation of 29.600 m water reticulation networks and 71 RDP standard communal street taps. Upgrading	Monte Consulting	2	Not Fully effective, performance below standard.	Bo-Mamohlala Projects.	2	Not Fully effective, performance below standard	06 March 2023	19 March 2024	Contractor is waiting material to equip the boreholes because another borehole is blocked with stones. Physical progress is 87%



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				of four Borehole with suitable Pumps.									and all reticulation network and communal stand pipe installed, Outstanding activities: Testing the system and install of borehole pumps. Notice of penalties is issued to the contractor.
22	Thakgalang Rural Sanitation Phase 1	WSIG	PM38/2022-04	Construction of 1074 VIP units	Phamela Engineering services	3	Fully effective, performance meets standard	Mocheku/Motsewakhumo	3	Fully effective, performance meets standard	23-Sep-23	12-02-2024	The project is complete, awaiting Engineer submitted happy letter and busy finalize beneficiary list
23	Sebayeng-Dikgale Rural Sanitation	IUDG	PM38/2002-12	Construction of 720 VIP units	Mapco Projects and Development	2	Not fully effective, performance below standard	Saatchi	1	Not fully effective, performance below standard	12 May 2023	31 Oct 2023	Overall physical progress is 77 % and contractor managed to complete 525 of 720 VIP units. Non-payment of labourers and Sub contractor causes the stoppage of the project.
24	Sebayeng-Dikgale Rural Sanitation	IUDG	PM38/2002-16	Construction of 727 VIP units	Mapco Projects and Development	2	Not fully effective, performance below standard	October Integrated	1	Not fully effective, performance below standard	12 May 2023	31 Oct 2023	Overall physical progress is 96 % and contractor managed to complete 727 of 727 VIP units. Non-payment of labourers and Sub contractor causes the stoppage of the

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
													project. The Contractor is not on site due to non-payment of October Integrated staff and local labourers and Security
25	Sebayeng-Dikgale Rural Sanitation	IUDG	PM38/2002-15	Construction of 744 VIP units	Mapco Projects and Development	3	Fully effective, performance meets standard	Todani	3	Fully effective, performance meets standard	12 May 2023	16 Nov 2023	Project Complete
26	Moletjie North RWS	WSIG	PM38/2022-05	The project entails upgrading and installation of water reticulation network for settlements under Moletji North RWS villages.	Zakumi Consulting	3	Fully effective, performance meets standard	Bateline investments	3	Fully effective, performance meets standard	14-Oct-23	7-12-2023	The project is complete, awaiting upgrading of transformers by Eskom. Eskom appointed Contractor and waiting the contractor to procure Concrete poles.
27	Moletjie South RWS	WSIG	TBC	Not yet confirmed	Morula Consulting engineers	2	Not fully effective, performance below standard	TBC	N/A	N/A	Not yet started	N/A	Consultant submitted technical report but has been returned for corrections.
28	Bloodriver Wellfield and Seshego Groundwater Development and Pumping Mains. (Polokwane)	RBIG	PM01/2019	Equip 7 boreholes (Average Potential = 1.3ML/d; Peak Potential = 3.0ML/d) in Seshego WF	Zakumi Consulting Engineers	2	Not fully effective, performance below standard	Koephu Business Enterprise/Bateline Investments JV	3	Fully effective, performance meets standard	18-Nov-19	30 June 2024	Project functional, all boreholes equipped and supplying water to Seshego WTW. VO not approved yet

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
	Groundwater Development)			and 8 (Average Potential = 1.7ML/d, Peak Potential = 3.4ML/d) in the Bloodriver WF ; Construction of pumping mains from Seshego, Bloodriver and Pilgrimshoop WF to the new Seshego Water treatment. Construction of pumping mains from the Seshego WTW to the Seshego and Perskebult Reservoirs.									
29	Construction of Borehole Infrastructure and Pumping Mains for the Sandriver South Wellfield and Polokwane Boreholes (Polokwane Groundwater Development)	RBIG	PM132/2018	Polokwane boreholes: Equip 18 boreholes in Sterkloop WF and Sandriver South WF (6,3ML/d average supply; 12,6ML/d peak supply); Pump to new Sandriver North Water treatment works and distribute to existing Doornkraal reservoir.	Makone consulting engineers	2	Not fully effective, performance below standard	Ba-Phalaborwa 72 Construction	2	Not fully effective, performance below standard	25-Jun-19	30 June 2023	Contractor agreed to seed the outstanding and remedial work to a sub-contractor. In process of appointing sub-contractor

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
30	Construction of Borehole Infrastructure and Pumping Mains for the Sandriver North Wellfield and Polokwane Boreholes (Polokwane Groundwater Development)	RBIG	PM133/2018	Polokwane boreholes: Equip 32 boreholes in Sandriver North WF and Polokwane boreholes (6,4ML/d average supply; 12,8ML/d peak supply); Pump to new Sandrive4 North Water treatment works and distribute to existing Krugersburg and Potgieter reservoirs.	Makone Consulting Engineers	2	Not fully effective, performance below standard	DIGES	1	Not fully effective, performance below standard	25-Jun-19	4 March 2021	Contractor terminated. Consultant preparing BOQ for outstanding and remedial work. In process of appointing sub-contractor
31	Seshego Water Treatment Works (Polokwane Groundwater Development)	RBIG	PM02/2019	Construction of Civil works including equipping of electrical and mechanical components and associated works for a Water Treatment Works of capacity 10.4 ML. Civil Structures include administration building, chlorine dosing building, chemical dosing building, flocculation clarifiers, clear	Zakumi Consulting Engineers	3	Fully effective, performance meets standard	Udumo Trading 26 (Pty) Ltd t/a Ultimate Dynamics / Lebo Tebo Trading and Projects JV	3	Fully effective, performance meets standard	18-Aug-19	30 May 2024	Practical completion reached, plant commissioned.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				water contact tank, up flow filter, treated water reservoir, surface water flocculation clarifier and sludge ponds.									
32	Construction of the Sandriver North Water treatment works (Polokwane Groundwater Development)	RBIG	PM131/2018	Construction of Civil works including equipping of electrical and mechanical components and associated works for a Water Treatment Works of capacity 18 ML. Civil Structures include administration building, chlorine dosing building, chemical dosing building, up flow filter, treated water reservoir.	Mapco Projects and Developments	3	Fully effective, performance meets standard	Zerbackraft/Lance MS/Mamondo/Koep hu Business Enterprise consortium	2	Not fully effective, performance below standard	15-Aug-19	9 Sept 2024	Variation order has been approved progress will improve.  Contractor busy with the installation of mechanical end electrical equipment
33	Refurbishment of Seshego WWTW	RBIG	PM38/2022-09	Refurbishment of Mashinini Pump Station, Seshego Plant head of works, PSTs, Biofilters, SSTs, Sludge Pump station	Morwa Consulting	2	Not fully effective, performance below standard	October integrated	2	Not fully effective, performance below standard	30-Mar-24	30-Jun-24	Cash-flow issues.  Re-design of the final flow meter weir for accurate flow measurements

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				and Chlorine housing.									Unforeseen structural failure on the base of the bio-filters centre columns.  Contractor submitted a request for EOT-3 for completion date 31 July 2024.
<b>SPORTS AND RECREATION</b>													
1	EXT 44/78 Sports and Recreation Facility	IUDG	PM91/2021	Construction of football field, ablution facilities	SI Architects/Muteo Consulting	3	fully effective, performance meets standard	Chisa Multi projects	3	Fully effective, performance meets standard	21-Sep-23	05-Jul-24	Contractor appointed, busy with grandstands
2	Construction of Sebayeng/Dikgale Sports Complex	IUDG	TBC	Construction of fence and bore hole	Nemorango consulting	3	Fully effective, performance meets standard	Malerate construction	N/A	N/A	Not yet started	N/A	Project not yet started due to funds
3	Upgrading of Mankweng Stadium-roadworks	IUDG	TBC	Construction of main building	Makone consulting engineers	2	Not Fully effective, performance below standard	Blue train holdings	N/A	N/A	Not yet started	N/A	Remaining work has been costed. Request for additional funds to be drafted
4	Construction of Softball Stadium	IUDG	PM148/2019	Construction of new softball stadium	Makone Consulting Engineers	2	Not fully effective, performance	Brunel Engineering	N/A	N/A	Not yet started	N/A	New contractor was appointed at amount of R184 688 107.05 for 18 months. Contractor

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
							below standards						is delaying to provide 10% construction guarantee and other contractual documents. A letter has been sent to Contractor through the consultant as there a in breach of the appointment. Pre-site handover was held. Application for Construction Permit was submitted and it was reported by Labour that no site handover and establishment is to be done without Permit issued.
5	RDP SPORTS COMPLEX MOLEPO	IUDG	PM56/2020	Completion of athletic track and stormwater drainage	2MC Consulting Engineers	3	Fully effective , performance meets standard	Zerbacraft	3	Fully effective, performance meets standard	Not yet started	N/A	Previous consultant terminated, incomplete work has been costed. Work to be done in phases
<b>TRAFFIC AND LICENSING</b>													
1	Upgrading of City Traffic and Licensing	CRR		Construction & upgrading of Ladanna Traffic Facility	Nemurango Consultantin g Engineer	5	Target achieved. Project completed.	Tow Africa	5	Target achieved in line with SDBIP throughout	01 July 2023	07 May 2024	Target achieved and no challenges encountered.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
										the quarters.			
2	Mankweng Container	CRR		Procurement and installation of mobile container	N/A	N/A	Target achieved. Project completed.	Africabin Building Systems	5	Target achieved in line with SDBIP throughout the quarters	01 July 2023	18 May 2024	Target achieved with no challenges encountered.
<b>ENVIRONMENTAL MANAGEMENT</b>													
1	Construction of ablution facilities at Tom Naude Park	CRR	pm51/2021	Construction of ablution facilities at Tom Naude	Ndidali Quantity Survey	4	The consultant performance is outstanding	Rural Blue Belt	2	The contractor's performance is not satisfactory. The project was supposed to have taken four months now we are on the 9 month. The structure is finished, to install the fittings	04 10 2023	4 January 2024	The contractor's performance was not satisfactory. The project was duration was for four months and now we are on the ninth month
2	Upgrading of game reserve facilities	CRR	pm51/2021	Thatching of chalets, tilling, painting and	N/A			Chats connection	5	The contractor is full effective	22 March 2024	31 May 2024	The contractor's performance is outstanding



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				replacement of wall units						and performance is outstanding			
3	Development of parks in rural areas	IUDG	pm51/2021	Design of park at Rural areas.Submission of approved drawings	Ndidali Quantity Surveyors	5	The consultant performance is very effective	N/A	N/A		21-04-2024	26 June 2026	
4	Greening Programme	IUDG	PM 122/2020	Supply and delivery of trees				Ele Investment and Mintech solutions	5	The service providers performance is outstanding	17 MAY 2023	17 May 2026	
5	Greening Distening	IUDG	PM 122	Supply and delivery of trees				Ele Investment Solutions	5	The service providers performance is outstanding	17 May 2023	17 May 2026	
<b>WASTE MANAGEMENT</b>													
1	6&9m3 skip containers	CRR	PM25/2022	Purchase of skip containers	N/A	N/A	N/A	Nkavelo Nsuku Trading & project	4	Good	27 February 2024	30 June 2026	None
2	Ga-Maja transfer station	IUDG	PM51/2021	Construction of Maja transfer station	Infra Project Africa	3	Good	N/A	N/A	N/A	17 November 2023	30 June 2026	None

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
3	Ga-Chuene transfer station	IUDG	PM51/2021	Construction of Chuene transfer station	Infra Project Africa	3	Good	N/A	N/A	N/A	17 November 2023	30 June 2026	None
<b>DISASTER MANAGEMENT</b>													
1	Ancillary equipment	CRR	PM06/2023	Supply and deliver of equipment	N/A	N/A	Very good	Matsie a bo Sukuri	3	Good	N/A	N/A	Delivered
2	Hydraulic equipment	CRR	PM66/2021	Supply and delivery of equipment	N/A	N/A	Good	Mmabo Investment Group	3	Good			Delivered
3	Rescue ropes/High angle	CRR	PM07/2023	Supply and delivery of ropes	N/A	N/A	Very good	Foxcon Trading Enterprise	3	Good			Delivered
4	Re-blading	CRR	PM117/2020	Reblading of fire breaks	N/A	N/A	Very good	Kiletji Business Enterprise	4	Good	April 2024	June 2024	Service rendered
<b>LOCAL ECONOMIC DEVELOPMENT</b>													
1	Polokwane Extension 26 Light Industrial Park	CRR	PM51/2021/64	Drawing of Site Development Plans and Architectural Working Drawings of four(4) Erven at Pietersburg Extension 26 Township(Light to Medium Industrial Park)	Acute Innovation (Pty)Ltd	3	Fully effective and performance meet standard	No Contractor	N/A	N/A	N/A	N/A	None
<b>CITY PLANNING</b>													

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
1	Township Establishment of an Eco Estate at Polokwane Game Reserve	CRR	PM51/2021	<p>Inception Report, preliminary, detailed scoping report (including submission of detailed topographical map), land rights enquiries and technical investigation reports.</p> <p>Final scoping report (including submission of detailed topographical map, lodging of township establishment application with the local Authority</p> <p>Approval of a township establishment application, submission of survey records to the surveyor General</p> <p>Approval of General Plan by SG</p>	Acute innovation SA	3	Fully effective, performance meets standard	N/A	N/A	Fully effective, performance meets standard	07-July-23	31-July-26	No challenges

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				Registration of township and Proclamation									
2	Bakone Malapa Engineering Services	CRR	PM51/2021	Provision of consulting services for planning, implementation, monitoring of Bakone Malapa Engineering Services. This includes investigations of (topographical surveys, geotechs etc	Superior Quality Engineering Technologies	3	Fully effective, performance meets standard	N/A	n/a	Fully effective, performance meets standard	08/03/2023	08/03/2026	Awaiting final designs
3	Township Establishment Ptn151-160 Sterkloop		PM64/2019	Inception Report, preliminary, detailed scoping report (including submission of detailed topographical map), land rights enquiries and technical investigation reports.  Final scoping report (including submission of detailed topographical map, lodging of township establishment	Bushland Developers	3	Fully effective, performance meets standard	N/A	N/A	Fully effective, performance meets standard	01 April 2021	30 June 2024	No challenges

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				<p>application with the local Authority</p> <p>Approval of a township establishment application, submission of survey records to the surveyor General</p> <p>Approval of General Plan by SG</p> <p>Registration of township and Proclamation</p>									
<b>ENERGY SERVICES</b>													
1	Illumination of public areas (Solar High mast lights) Rural areas	CRR	PM04/2022	supply and installation of 5 x solar highmast lights in polokwane municipality jurisdiction	In-houe (Lebone)	N/A	N/A	Capotex	3	Fully effective , performance meets standard	07-Feb-23	02-Dec-23	Project completed.
2	Illumination of public areas (Solar High mast lights) Rural areas Phase 2	CRR			In-houe (Lebone)	N/A	N/A	Capotex					The Project served at BSC and available budget insufficient to proceed with implementation. Funds to be made available during budget adjustment.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
3	Upgrade SCADA and RTU	CRR	N/A	Upgrade SCADA and RTU combined with retrofitting of protection relay project.	Volt Consulting	3	Fully effective , performance meets standard	N/A	N/A	N/A	Not yet started	N/A	Detailed design report was presented on the 24th of October 2023 and the consultant to address the comments. The project to be implemented in multiple phases due to budget constraints. Bid served at BSC, but there is outstanding requirements from consultant.
4	Replacement of Oil RMU's and Substation Switchgear	CRR	PM50/2022	Replacement of Oil Breakers with vacuum breakers in Gamma substation	In house (Lebone)	N/A	N/A	Brunel Engineering	3	Fully effective , performance meets standard	05-May-23	05-May-24	Possible activities will run while waiting delivery of material
5	Install New Bakone to IOTA 66kv double circuit Goat line	CRR	N/A	Design and project management of new double circuit 66kV overhead line from Bakone switching station to IOTA 66/11kV substation, to complete the 66kV ring network around City.	AES	3	Fully effective , performance meets standard	N/A	N/A	N/A	Not yet started	N/A	Servitudes negotiations finalized. Line route changed which affects the design. The Consultant is busy re-designing some sections. Re-design was completed. Waiting for Networth Properties regarding the servitude on the eastern side of

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
													East Ridge X4 development.
6	Build 66kv /Bakone Substation	CRR	E186/2016	Build 66kV Bakone switching station.	Optimal	4	Performance above expectations	Enzani Technologies	3	Fully effective, performance meets standard	16-Jun-16	30-Jun-22	Budget restraints and late payments to contractor, prevent the completion of switching station on time. Practical completion achieved. Eskom outage prevent the energizing of switching station. Communicating with Eskom to expedite the outage date to less than 35 days. First Eskom outage was from 18/03/2024 to 22/03/2024 for MUNIC 1. MUNIC 1 energized and taking load. Second outage is from 02/04/2024 to 05/04/2024 for MUNIC 2. Contractor busy on site.
7	Plant and Equipment	CRR	PM12/2022	Supply and deliver of a three phase universal relay test set and commissioning tool.	In-House (Gerrie / Wimpie)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Bid closed 10 October 2022, but the service provider was not appointed. Waiting for evaluation of bid document.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
8	Increase license area assets	CRR	N/A	Increase license area assets	Pienaar and Erwee	4	Performance above expectations	N/A	N/A	N/A	N/A	N/A	Phasing report submitted to Polokwane Municipality and to Eskom. Letter submitted to Eskom, acquiring the networks cost in the phasing scoping report. Eskom rejected proposal.
9	Install bulk supply power to New Pietersburg switching station	CRR/IUDG	PM01/2022	supply and install 4,5km 300mm cable from gamma sub to new Pietersburg 11kV switching station. Build 550m of overhead line and a 25kva transformer and a clearvu fence	In-house (Lebone)	N/A	N/A	Brunel Engineering	3	Fully effective, performance above standards	2023/05/05	2024/01/05	Installation of two cables in progress instead of three due to budget constrains, Contractor waiting delivery of last materials. Contractor on site and was appointed late, so far the contractor is effective. VO approved and contractor is finalizing snag list
10	New Pietersburg 11Kv Switching station phase 2	INEP	PM01/2022	supply and install 4,5km 300mm cable from gamma sub to new Pietersburg 11kV switching station. Build 550m of overhead line and a 25kva	In-House (Lebone)	N/A	N/A	Brunel Engineering	3	Fully effective, performance above standards	06-May-23	06-Nov-23	installation of two cables in progress instead of three due to budget constrains, Contractor waiting delivery of last materials. Contractor on site and was appointed late, so far the



No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
				transformer and a clearvu fence									contractor is effective. VO approved and contractor is finalizing snag list
11	Construction of new 66kv lines as per master plan	CRR	N/A	Determined the 66kV overhead line route servitudes for future 66/11kV substations.	Pienaar and Erwee	4	Performance above expectations	N/A	N/A	N/A	N/A	N/A	Work performed up to budget allocation, but consultant terminated due to expiry of appointment cycle. New consultant appointed, Sizeya Consulting. Concept drawing meeting scheduled for Friday, 05/04/2024.
12	Design and Construction Matlala Substation	CRR	N/A	Design and Construction Matlala Substation	(Terminated Korone Engineers) New consultant allocated.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Korone Engineers terminated and new consultant allocated. Sizeya Consulting was appointed. Concept drawing meeting scheduled for Friday, 05/04/2024.
13	Refurbishing of overhead networks in Iydale	INEP	PM54/2020	Refurbishment of overhead networks	In-house (Johanna)	N/A	N/A	Capotex and Tlopo	3	Fully effective, performance meet the standard	01-Jun-23	30-Jun-24	Financial spending is 100% but physical work on site is 80%. Funds allocated for this project are finished.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
14	Energy efficient demand site management	EEDSM	PM54/2022	LED street lights retrofits and libraries lights retrofits	In house (Wimpie)	N/A	N/A	Capotex	3	Fully effective, performance meet the standard	24-Oct-2023	30-Jun-2024	Contractor has completed 98% of the retrofits. Contractor was given 14 days to close the project from 03/07/2024.
15	Electrification of Urban Households in Zone 8 Extension (Polokwane Ext.133 Phase 1) street lights	INEP	PM28/2021	supply and install electrical network in PLK Ext133 Ph1 468 connections	(Terminated - khephe engineering) _ In-house	N/A	N/A	Thotogelo MP Construction	1	Not fully effective, performance below standards	31-Oct-22	30-Jun-23	Contractor is on penalties and to fast track the delivery of material. No material and contractor beyond schedule. contractor terminated and new contractor appointed to complete the works
16	Boikhutsong Phase 3	INEP	PM50/2021	supply and install electrical network in Boikhutsong Ph3, 1089 connections	(Terminated - Mogalemole)	N/A	N/A	Capotex	2	Not Fully effective and performance not met standard	31-Oct-22	30-Jun-23	Practical completion certificate is ready and busy with the snag list. 960 households connected. Close out report submitted
17	Electrification of Moremadi Park Phase 2 (283 connections)	INEP	PM01/2022	Supply and installation of electrical networks in Moremadi Park Phase 2 - 283 households	Infra Projects Africa	3	Fully effective and performance meet standard	Zebarcraft	3	Fully effective and performance below standard	31-Oct-23	31-July-2024	Project at 80%.Building of infrastructure completed except house connections and commissioning of network by Eskom.

No	Project Name	Funding Source	Project No	Brief Scope	Name of Consultant	Rating of the Consultant	Performance Comments	Name of the Contractor	Rating of the Contractor	Performance Comments	Start Date	End Date	Challenges/Mitigations
18	Electrification of Polokwane EXT 40 (146 connections)	INEP	PM01/2022	Supply and installation of electrical networks in Polokwane EXT 40 and street lighting - 146 households	In-house (Lebone)	N/A	N/A	Brunel Engineering	2	Not fully effective, performance below standards	06-Dec-23	30-Apr-24	Contractor is busy with PCS file and house connection. 98% work done
19	Electrification of Plk Ext133 Ph2 (400 connections)	INEP	PM01/2022	Supply and installation of electrical networks in Polokwane EXT 133 Phase 2 - 400 households	Kgosihadi Consulting	3	Fully effective and performance meet standard	Brunel Engineering	3	Fully effective and performance meet standard	06-Dec-23	30-Jun-24	Contractor is busy with PCS file and house connections. 85% work done
20	Illumination of public areas (Solar street lights) urban areas along Zebediela road.			supply and installation of solar streetlights along Zebediela road.	In-House - Johanna	N/A	N/A	Tlopo and Capotex	3	Fully effective and performance meet standard	01/12/2023	31/06/2024	Project completed at 100%

## SECTION C

### 8. C.1 Performance Challenges during the 2023/24 Financial Year

Section 46 (1) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities to prepare the performance report that reflects the performance of the municipality and that of its external service providers.

Polokwane municipality wishes to highlight that some projects were delayed during the 2023/24 implementation year. The said projects were not completed on time due to various challenges such as:

- Projects are delayed by non-performing contractors, but non-performing contractors are penalized and also put on terms.
- Scarcity of water supply in the Municipality, boreholes were drilled in the City and surrounding areas to augment water supply
- Community disruptions, PPOs are requested to assist with community issues
- Vandalism and theft of material on site, projects are designed to increase security.

### 9. C.2 Management Measures taken to improve performance in the 2023/24 Financial Year

- The municipality continues to improve projects planning across all funding sources. Project planning for each financial year commences in the third and fourth quarter in order to ensure that project implementation is achieved by the first quarter of each implementation year.
- The municipality uses a multiyear implementation approach for medium to long term projects with the aim of improving the rate of service delivery and back log eradication.
- The municipality further uses a three-year panel for professional service providers for project preparations and planning.
- Putting technical support in place for interventions for poor performing projects. Where intervention is not successful contractors are penalized or terminated.
- Continuous project visits and site inspections meetings were held throughout the year.

#### MUNICIPAL MANAGER QUALITY CERTIFICATE OF THE 2023/24 ANNUAL PERFORMANCE REPORT

I, **Thuso Nemugumoni**, the Municipal Manager of Polokwane Municipality hereby certify that the 2023/24 Annual Performance Report of Polokwane Municipality has been compiled in line with the provisions of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 and according to the provisions of the 2023/24 Final and Reviewed Performance Management Policy of Polokwane Municipality. I hereby further certify that the report is a true reflection of the Polokwane Municipality performance against the Final and Revised SDBIP targets for the 2023/24 financial year as approved by the Executive Mayor and Council.

\_\_\_\_\_  
**MS. THUSO NEMUGUMONI**

\_\_\_\_\_  
**DATE**

**MUNICIPAL MANAGER**

**LIM 354**



# Report of the auditor-general to Limpopo Provincial Legislature and council on Polokwane Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the consolidated and separate financial statements of the Polokwane Local Municipality and its subsidiary set out on pages xx to xx, which comprise the consolidated and separate statement of financial position as at 30 June 2024, consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Polokwane Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (DoRA).

### Basis for opinion

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

### Emphasis of matters

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

### Material impairments

7. As disclosed in notes 3 and 5 to the financial statements, material impairment of R957 208 613 (2023: R931 602 895) were provided for as a result of irrecoverable debtors.

### Water losses

8. As disclosed in note 40.2 to the financial statements, material water losses of R68 506 297 (2023: R87 443 128) was incurred, which represents 24% (2023: 36%) of total water purchased. The water losses were due to leakages and service connections.

### Electricity losses

9. As disclosed in note 40.1 to the financial statements, material electricity losses of R124 401 394 (2023: R61 524 449) was incurred, which represents 12.22% (2023: 10.42%) of total electricity purchased. The electricity losses were mainly due illegal connections.

### Contingencies

10. As disclosed in note 52 to the financial statements, the municipality is a defendant in multiple lawsuits. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### Restatement of corresponding figures

11. As disclosed in note 62 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

### Other matters

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

### Unaudited supplementary schedules

13. The supplementary schedule set out on pages xx to xx does not form part of the consolidated financial statement and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

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

14. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA; and for such internal control as the accounting officer determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the consolidated and separate 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 consolidated and separate financial statements

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

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

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
19. I selected the following objectives presented in the annual performance report for the year ended 30 June 2024 for auditing. I selected development priorities that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Development priority	Page numbers	Purpose
Basic service delivery	[XX]	Provide basic services to the citizens
Local economic development	[XX]	Stimulate economic development within the municipality

20. I evaluated the reported performance information for the selected development priorities 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.
21. 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 reasons provided for any over- or underachievement of targets / measures taken to improve performance

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

#### **Development priority: Basic service delivery**

##### **Increase percentage of households with access to electrification by 0.50%**

23. An achievement of 0.49% was reported against a target of 0.5%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

##### **Increase % of households with access to water by 0.40%**

24. An achievement of 1.25% was reported against a target of 0.40%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

##### **Number of fire services inspection conducted**

25. An achievement of 1 526 was reported against a target of 988. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the target was still achieved.

#### **Other matters**

26. I draw attention to the matters below.

## Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides explanations for over or under achievements. This information should be considered in the context of the material findings on the reported performance information.
28. The tables that follow provides information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages [xx to xx].

## Basic service delivery

<i>Targets achieved: 62%</i>		
<b>Key service delivery indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
BSD_TL03 Increase percentage of Households with access to electrification by 0.50% (1247 hh) by the 30 June 2024	0.5% (1247 hh)	0.49% (1216 hh)
BSD_TL04 Increase percentage of Households with access to sanitation by 1.75% (4365 hh) by 30 June 2024	1.75% (4365 hh)	0.68% (1705 hh)
BSD_TL06- Km of roads upgraded from gravel to tar by 30 June 2024	15km	6.18 km
BSD_TL08 Number of new rural villages supplied with weekly waste removal services by 30 June 2022	8	0
BSD_TL12 Km of trunk route constructed by 30 June 2022	1km	0
BSD_TL15 % of building plans received and assessed within 60 working days from receipt of application	100%	66%
BSD_TL16 % of occupation certificate application received and finalised within 30 days	100%	63.06%
BSD_TL22 Percentage reduction of electricity losses by 30 June 2024	12%	12.22%

## Local economic development

<i>Targets achieved: 80%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of job opportunities created through EPWP by 30 June 2023 (Temporary job opportunities)	3 665	3 284

## Material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information development priority: basic service delivery. Management did not correct all of the misstatements, and I reported material findings in this regard.
30. I did not identify any material misstatement on the local economic development objective.

## Report on compliance with legislation

31. 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.
32. 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.
33. 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.
34. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

## Annual financial statements, performance and annual report

35. The consolidated financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 122(1) of the MFMA.
36. Material misstatements of non-current assets and disclosures identified by the auditors in the submitted consolidated financial statements were corrected, resulting in the consolidated financial statements receiving an unqualified audit opinion.

## Strategic planning and performance management

37. The performance management system and related controls were inadequate as it did not describe how the performance monitoring, review and reporting processes should be conducted and/or managed, as required by municipal planning and performance management regulation 7(1).

## Procurement and contract management.

38. Sufficient appropriate audit evidence was not obtained that some contracts were awarded in accordance with legislative requirements.

39. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of the code of conduct for staff members issued in terms of the Municipal Systems Act 32 of 2000.

40. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA.

## Expenditure management

41. Reasonable steps were not taken to prevent irregular expenditure amounting to R399 969 606 as disclosed in note 53.2 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

## Other information in the annual report

42. The accounting officer is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the consolidated financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported on in this auditor's report.

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

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

45. 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**

46. I considered internal control relevant to my audit of the consolidated financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
47. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the consolidated financial statements and the annual performance report that were subsequently corrected and the material findings on compliance with legislation included in this report.
48. Internal control systems for the preparation and review of the consolidated financial statements did not operate optimally as they were unable to detect and correct or prevent material misstatements in the consolidated financial statements submitted for audit.
49. Leadership did not exercise adequate oversight over performance reporting to ensure that internal control measures for the collection, collation, validation and reporting of performance information are effective to produce performance information that is reliable.
50. The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall processes of compliance with legislation. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

### **Material Irregularities**

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

#### **Material irregularities in progress**

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

#### **Status of previously reported material irregularities**

##### **Payment for buses not received**

53. In terms of section 116 (2)(a) of the MFMA, the accounting officer of a municipality must take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced.

54. The municipality paid R16 680 257 in 2019 for buses which they did not receive. This resulted in non-compliance with section 116 (2)(a) of the MFMA in which the accounting officer did not take reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality is properly enforced. This non-compliance resulted in a material financial loss amounting to R16 680 257.

55. The accounting officer was notified of the material irregularity on 9 December 2022 and the following actions were taken to address the material irregularity:

- The municipality appointed a service provider (law firm) on 26 January 2023 to investigate the matter. The investigation was completed on 23 March 2023. The municipality is currently implementing the recommendations from the investigation report.
- The supplier was placed under business rescue on 18 August 2021.
- The municipality started negotiations with the business rescue practitioners on 16 January 2023 with the objective to obtain the buses. The negotiations with the business rescue practitioners were not successful therefore the municipality referred the matter to court with case number 9242/2024
- The accounting officer appointed a legal representative to initiate legal action in order to recover the money that was paid for the buses. The letters of demand were successfully served to the affected employees on 22 September 2024. The implicated individuals that are still employed by the municipality are undergoing disciplinary hearings which commenced on 19 November 2024 and is expected to be completed in March 2025. I will follow up on the outcome of the disciplinary hearing during my next audit.

*Auditor-General*

Polokwane

15 January 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 consolidated and separate financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality's compliance with selected requirements in key legislation.

#### **Financial statements**

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

- identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated

and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entity's activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

### **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
Supply Chain Management Regulation GNR.868 of 2005	<ul style="list-style-type: none"> <li>• SCM reg. 12(1)(c), 16(a), 17(a), (b) &amp; (c )</li> <li>• SCM reg. 13(c)</li> <li>• SCM reg. 43</li> <li>• SCM reg. 19(a) &amp; (b);</li> <li>• SCM reg. 36(1)(a)</li> <li>• SCM reg. 12(3)</li> <li>• SCM reg. 27(2)(a) &amp; (e)</li> <li>• SCM reg. 22(1)(b) &amp; 22(2)</li> <li>• SCM reg. 29(1)(a) &amp; (b)</li> <li>• SCM reg. 29(5)(a)(ii) &amp; (b)(i)</li> <li>• SCM reg. 38(1)(c.), (d)(ii) &amp; (g)(iii)</li> <li>• SCM reg 38(1)(e.), (g)(i) &amp; (ii)</li> <li>• SCM reg. 32</li> <li>• SCM reg. 44</li> </ul>
Municipal Finance Management Act 56 of 2003	<ul style="list-style-type: none"> <li>• MFMA section 117</li> <li>• MFMA section 116(2)(b)</li> <li>• MFMA section 112(1)(j)</li> <li>• MFMA 122(1)</li> <li>• MFMA 126(1)(a)</li> <li>• MFMA 133(1)(a), (c)(i) &amp; (ii)</li> <li>• MFMA 127(2), (5)(a)(i) &amp; (ii)</li> <li>• MFMA 129(1), (3)</li> <li>• MFMA 63(2)(a) &amp; (c)</li> <li>• MFMA 13(2)</li> <li>• MFMA 14(1), (2)(a) &amp; (b)</li> <li>• MFMA 65(2)(e), (a) &amp; (b)</li> <li>• MFMA 11(1)</li> <li>• MFMA 62(1)(d)</li> <li>• MFMA 15</li> <li>• MFMA 29(1) &amp; (2)(b)</li> <li>• MFMA 62(1)(f)(i) &amp; (iii)</li> <li>• MFMA 64(2)(b), (c), (e), (f) &amp; (g)</li> <li>• MFMA 53(1)(c)(ii)</li> <li>• MFMA 1</li> <li>• MSA 34(a) and 41(1)(c)(ii)</li> <li>• MFMA 24(2)(c)(iv)</li> <li>• MFMA 54(1)(c)</li> <li>• MFMA 32(2)(a), (a)(ii) &amp; (b)</li> <li>• MFMA 170</li> <li>• MFMA 32(6)(a)</li> <li>• MFMA 171(4)(a)</li> </ul>
Preferential Procurement Policy Framework Act 05 of 2000	<ul style="list-style-type: none"> <li>• PPPFA sec 2(1)(a);</li> <li>• PPPFA section 2(1)(f)</li> </ul>

Legislation	Sections or regulations
Preferential Procurement Regulation 2017 and 2022	<ul style="list-style-type: none"> <li>• PPR 2017 6(1) and 7(1)</li> <li>• PPR 2022 4(1) and 5(1)</li> <li>• PPR 2017 6(8), 7(8), 10(1) &amp; (2) &amp; 11(1)</li> <li>• PPR 2022 4(4) &amp; 5(4)</li> <li>• PPR 2017 5(1) &amp; 5(3)</li> <li>• PPR 2017 5(6)</li> <li>• PPR 2017 9(1)</li> </ul>
Construction Industry Development Board Act 38 of 2000	<ul style="list-style-type: none"> <li>• CIDB Act section 18(1)</li> <li>• CIDB reg. 17;</li> <li>• CIDB reg. 25(7A)</li> </ul>
Municipal Investment Regulation GNR.308 of 1 April 2005	<ul style="list-style-type: none"> <li>• Municipal investment regulation 3(3)</li> <li>• Municipal investment regulation 6</li> <li>• Municipal investment regulation 7</li> <li>• Municipal investment regulation 12(2)</li> </ul>
Division of Revenue Act 5 of 2022	<ul style="list-style-type: none"> <li>• DoRA 16(1) &amp; (3)</li> <li>• DoRA 12(5)</li> </ul>
Municipal Investment Regulation GNR 308 of 1 April 2005	<ul style="list-style-type: none"> <li>• Municipal budget and reporting regulation 71(1) &amp; (2)</li> <li>• Municipal Budget &amp; Reporting reg 75(2)</li> </ul>
Municipal System Act 32 of 2000	<ul style="list-style-type: none"> <li>• MSA 74(1)</li> <li>• MSA 96(b)</li> <li>• MSA 29(1)(b)(ii) &amp; (3)(b)</li> <li>• MSA 42</li> <li>• MSA 25(1)</li> <li>• MSA 26(a) &amp; (c)</li> <li>• MSA 41(1)(a),</li> <li>• MSA sec. 43(2),</li> <li>• MSA 34(a) &amp; (b) and 41(1)(c)(ii)</li> <li>• MSA 38(a)</li> <li>• MSA 57(6)(a)</li> <li>• MSA 56(a)</li> <li>• MSA 66(1)(a) &amp; (b)</li> <li>• MSA 67(1)(d)</li> <li>• MSA 57(2)(a)</li> </ul>
Municipal Property Rates Act 6 of 2004	Municipal Property Rates Act 3(1)
Municipal planning and Performance management regulation 2001	<ul style="list-style-type: none"> <li>• Municipal planning and performance management reg 15(1)(a)(i)</li> <li>• Municipal planning and performance management reg 2(1)(e)</li> <li>• Municipal planning and performance management reg 2(3)(a)</li> <li>• Municipal Planning and Performance Management reg 9(1)(a)</li> <li>• Municipal Planning and Performance Management reg 10(a)</li> <li>• Municipal planning and performance management reg 12(1)</li> <li>• Municipal planning and performance management reg 3(4)(b) and 15(1)(a)(ii)</li> </ul>

Legislation	Sections or regulations
	<ul style="list-style-type: none"> <li>• Municipal planning and performance management reg and 3(6)(a)</li> <li>• Municipal planning and performance management regulation 3(3)</li> <li>• Municipal planning and performance management reg 8</li> <li>• Municipal planning and performance management reg 7(1).</li> </ul>
Municipal regulation on financial misconduct procedures and criminal proceeding GNR 430 of 30 May 2014	<ul style="list-style-type: none"> <li>• Financial Misconduct reg 5(4)</li> <li>• Financial Misconduct reg 6(8)(a)</li> <li>• Financial Misconduct reg 10(1)</li> </ul>



Polokwane Municipality  
Consolidated  
Audited Annual Financial Statements  
for the year ended 30 June 2024

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

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# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## General Information

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### Country of incorporation and domicile

South Africa

### Nature of business and principal activities

The provision of services (electricity, water, sanitation and refuse) to communities in a sustainable manner, to promote social and economic development; and to promote a safe and healthy environment.

### Legislation governing the municipality's operations

The Constitution of the Republic of South Africa, 1996  
The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)  
The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)  
The Local Government: Municipal Finance management Act, 2003 (Act 56 of 2003)  
Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)  
Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007)  
Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)  
Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)  
Division of Revenue Act (Act 1 of 2007)

### Executive Mayor, Members of Mayoral Committee

#### Portfolio

Executive Mayor and chairperson of mayoral committee  
Speaker  
Chief WIP  
MMC Finance  
MMC Water and Sanitation  
MMC Roads, Transport and Stormwater  
MMC Planning and Economic Development  
MMC Admin and Governance  
MMC Human Settlements  
MMC Sports, Arts, Culture and Special Focus  
MMC Energy Provision  
MMC Waste and Environment  
MMC Community Services

#### Councillor

MJ Mpe  
KW Modiba  
PA Rapetswa  
T Nkwe  
MA Moakamedi  
TD Moloto  
PR Mashangoane  
MB Kgare  
FZ Mashalane  
TJ Mamabolo  
NA Sivhabu  
SJ Malope  
J Pemma

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## General Information

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### Council Members

<b>Nr</b>	<b>Surname</b>	<b>Initials</b>	<b>Nr</b>	<b>Surname</b>	<b>Initials</b>
1	Baloyi	KJ	2	Bologo	N
3	Botha	AH	4	Chidi	DRT
5	Choshi	PP	6	Clarke	SE
7	Dikgale	SJ	8	Hamise	LH
9	Hiine	PJ	10	Hopane	ME
11	Joubert	FJ	12	Kalla	SSMG
13	Kganyago	MS	14	Komape	MP
15	Leballo	MM	16	Lebogo	MJ
17	Legodi	NP	18	Lekota	MF
19	Lephalala	LF	20	Letsoalo	MF
21	Lourens	RF	22	Lubbe	H
23	Mabasa	MW	24	Mabote	MG
25	Madikoto	WL	26	Mahladisa	MJ
27	Mahlatji	MS	28	Mahopo	SM
29	Mailula	KE	30	Makhafola	MD
31	Malatji	KM	32	Mamadi	E
33	Marx	FH	34	Mashabela	SA
35	Mathoho	K	36	Mathye	MV
37	Matonzi	MT	38	Modiba	MD
39	Modiba	MT	40	Mogoboya	ML
41	Mohlapamaswi	E	42	Mahloana	TK
43	Mokgohloa	TS	44	Mokobodi	MV
45	Mokome	MS	46	Molepo	FJ
47	Molepo	MM	48	Molope	NL
49	Moloto	MH	50	Morifi	TJ
51	Morotoba	MF	52	Moshoeu	PE
53	Mothapo	LM	54	Mothiba	TP
55	Mphelo	MD	56	Murwa	TPK
57	Muthabine	MR	58	Nchabeleng	MM
59	Ngoasheng	LH	60	Ntlemo	TJ
61	Pheedi	MR	62	Phoshoko	MS
63	Phukubje	D	64	Pretorius	M
65	Radise	CM	66	Rakoma	TMD
67	Ralefatane	MJ	68	Ramakgolo	MM
69	Ramaphakela	MF	70	Ramaselele	MS
71	Ramoraswi	MJ	72	Raphela	MP
73	Ratsoma	M	74	Retters	HJ
75	Sathekge	MW	76	Sebati	SA
77	Segoale	LM	78	Seshoka	SJ
79	Shadung	MA	80	Shibambu	KB
81	Shivhabu	NA	.	.	.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## General Information

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### Executive management

<b>Position</b>	<b>Name</b>
Municipal Manager	TLP Nemugumoni
Acting Chief Financial Officer	T Nonyane
Deputy Chief Financial Officer	T Nonyane
Director Planning and Economic Development	M Mashego
Director Community Services	E Hutamo
Acting Director Corporate and Shared Services	PD Matsi
Acting Director Strategic Planning, Monitoring and Evaluation	V Mthombeni
Director Transportation Services	D Ramakgwakgwa
Acting Director Energy Services	MC Mothata
Director Water and Sanitation	M Thaba
Director Roads	R Mabunda

### Members of the Audit Committee

Chairperson	SAB Ngobeni
Member	R Maboe
Member	TA Lekoloane
Member	KA Mabitsele
Member	MD Mogano

**Accounting Officer** TLP Nemugumoni

**Executive Mayor** M.J Mpe

**Grading of local authority** 10

**Business address** Civic Centre  
Cnr Landros Mare and Bodenstein Streets  
Polokwane  
0699

**Postal address** P.O. Box 111  
Polokwane  
0700

### Attorneys

AM Carrim Attorneys  
Mpho Mohale Incorporated  
Kgatla Incorporated  
MC Rathelele Incorporated  
Tshikovhi Incorporated Attorneys  
Chuene Mahlo Incorporated  
Mohale Incorporated  
Mohuba Incorporated  
Lebea and Associates  
Kuaho Attorneys  
Mmakola Matsimela Incorporated  
Mponyane Ledwaba Incorporated  
Raphela Attorneys  
GSM Mohlabi Incorporated  
Kgohlishi Able Mamabolo



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## General Information

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	Mahowa Incorporated
	Mohube Setsoale Mabusela Incorporated
	Dikgati Mphahlele Attorneys
	GN Moabelo Incorporated
	Moloko Phooko Attorneys
	Poopela Maaake Attorneys
<b>Telephone</b>	015 023 5000
<b>Auditors</b>	Auditor-General of South Africa (AGSA)

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Abbreviations

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AARTO	Administrative Adjudication of Road Traffic Offences
CIGFARO	Chartered Institute of Government, Finance, Audit and Risk Officers
CDM	Capricorn District Municipality
CPI	Consumer Price Index
DBSA	Development Bank of South Africa
EEDSM	Energy Efficiency and Demand Side Management
EPWP	Expanded Public Works Programme
FMG	Finance Management Grant
GFS	Government Finance Statistics
GRAP	Generally Recognised Accounting Practice
INEP	Integrated National Electrification Programme
IT	Information Technology
IUDG	Integrated Urban Development Grant
JSE	Johannesburg Stock Exchange
MBA	Master of Business Administration
MFMA	Municipal Finance Management Act
MMC	Member of Mayoral Committee
MPAC	Municipal Public Accounts Committee
MSCOA	Municipal Standard Chart of Accounts
NDPG	Neighbourhood Development and Partnership Grant
NLTA	National Land Transport Act
NRA	Normal Retirement Age
PAYE	Pay As You Earn
PHA	Polokwane Housing Association
PPE	Property, Plant and Equipment
PTNG	Public Transport Network Grant
RBIG	Regional Bulk Infrastructure Grant
RSA	Republic of South Africa
SACNASP	South African Council of Natural Scientific Professions
SAIEES	South African Institute of Ecologists and Environmental Scientists
SETA	Sector Education and Training Authority
SDL	Skills Development Levy

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Abbreviations

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SALGA	South African Local Government Association
SARS	South African Revenue Services
SCM	Supply Chain Management
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
WSIG	Water Service Infrastructure Grant

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the group's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, she is satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

I certify that the salaries, allowances and benefits of councillors as disclosed in Note 35 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

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**THUSO NEMUGUMONI**  
**MUNICIPAL MANAGER**

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Officer's Report

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The Accounting Officer submits her report for the year ended 30 June 2024.

### 1. Review of activities

#### Main business and operations

The group is engaged in local government activities, which include planning and promotion of integrated development plan and supplying of the services to the community which are water, sanitation, fire and environmental health services.

Net deficit of the group was R 79 795 461 (2023: deficit R 352 116 646).

### 2. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus of R 5 661 198 980 and that the municipality's total assets exceed its liabilities by R16 036 907 072.

The consolidated unaudited 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. All impairments were measured and judged in line with past performances.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year, that may need to be adjusted for or disclosed in the Financial Statements.

The consolidated unaudited annual financial statements set out on pages 10 to 154, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2024 and were signed on its behalf by:

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**THUSO NEMUGUMONI**  
**MUNICIPAL MANAGER**

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	Group		Company	
		2024	2023 Restated*	2024	2023 Restated*
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	2	345 429 844	187 784 673	343 278 496	184 371 391
Receivables from exchange transactions	3	862 244 589	769 687 292	861 879 737	769 003 183
Other receivables from exchange transactions	4	16 607 143	33 771 123	16 584 034	33 748 014
Receivables from non-exchange transactions	5	328 675 854	345 710 314	328 668 305	345 702 765
Inventories	6	112 808 412	93 995 322	112 808 412	93 995 322
VAT receivable	7	14 013 278	47 824 737	14 013 278	47 824 737
VAT input accrual	7	106 176 476	92 221 762	106 176 476	92 221 762
<b>Total Current Assets</b>		<b>1 785 955 596</b>	<b>1 570 995 223</b>	<b>1 783 408 738</b>	<b>1 566 867 174</b>
<b>Non-Current Assets</b>					
Investment property	8	1 024 964 286	997 033 036	1 024 964 286	997 033 036
Property, plant and equipment	9	15 007 564 894	15 259 028 206	14 571 550 142	14 809 391 210
Biological assets	10	15 622 003	14 905 421	15 622 003	14 905 421
Heritage assets	11	21 867 568	21 867 569	21 867 568	21 867 569
Intangible assets	12	35 574 431	35 118 295	35 556 809	35 093 576
Investment in subsidiary	13	-	-	1 000	1 000
Living resources	14	11 606 694	9 368 462	11 606 694	9 368 462
<b>Total Non-Current Assets</b>		<b>16 117 199 876</b>	<b>16 337 320 989</b>	<b>15 681 168 502</b>	<b>15 887 660 274</b>
<b>Total Assets</b>		<b>17 903 155 472</b>	<b>17 908 316 212</b>	<b>17 464 577 240</b>	<b>17 454 527 448</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Consumer deposits	15	67 479 006	68 587 999	65 469 909	66 794 150
Payables from exchange transactions	16	743 626 449	648 551 312	731 057 499	633 312 246
Payables from non - exchange transactions	17	16 743 876	25 780 275	16 735 566	25 771 966
Borrowings	18	27 778 472	25 088 400	27 778 472	25 088 400
Finance Lease liabilities	19	10 610 561	21 052 712	10 610 561	21 052 712
Employee benefits	20	16 691 270	9 740 921	16 301 297	9 116 740
Provision	21	3 656 736	-	3 656 736	-
VAT output accrual	7	119 142 965	125 382 657	119 142 965	125 382 657
<b>Total Current Liabilities</b>		<b>1 005 729 335</b>	<b>924 184 276</b>	<b>990 753 005</b>	<b>906 518 871</b>
<b>Non-Current Liabilities</b>					
Borrowings	18	319 910 020	347 688 492	319 910 020	347 688 492
Finance Lease liabilities	19	12 356 164	4 576 739	12 356 164	4 576 739
Employee benefits	20	402 557 326	397 894 611	401 698 326	397 144 611
Provision	21	125 695 555	117 269 606	125 695 555	117 269 606
<b>Total Non-Current Liabilities</b>		<b>860 519 065</b>	<b>867 429 448</b>	<b>859 660 065</b>	<b>866 679 448</b>
<b>Total Liabilities</b>		<b>1 866 248 400</b>	<b>1 791 613 724</b>	<b>1 850 413 070</b>	<b>1 773 198 319</b>
<b>Net Assets</b>		<b>16 036 907 072</b>	<b>16 116 702 488</b>	<b>15 614 164 170</b>	<b>15 681 329 129</b>
<b>Net Assets presented by:</b>					
Revaluation Reserve	22	10 375 708 105	10 375 708 105	10 257 919 444	10 257 919 444
Accumulated surplus		5 661 198 980	5 740 994 400	5 356 244 736	5 423 409 702
<b>Total Net Assets</b>		<b>16 036 907 085</b>	<b>16 116 702 505</b>	<b>15 614 164 180</b>	<b>15 681 329 146</b>

\* See Note 62

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Statement of Financial Performance

Figures in Rand	Note(s)	Group		Company	
		2024	2023 Restated*	2024	2023 Restated*
<b>Revenue</b>					
<b>Exchange Revenue</b>					
Services charges – Electricity	23	1 368 902 843	1 179 655 522	1 368 902 843	1 179 655 522
Services charges – Waste management	23	142 911 569	140 929 587	142 911 569	140 929 587
Services charges – Waste water management	23	170 741 829	150 939 516	170 741 829	150 939 516
Services charges – Water	23	298 432 073	264 124 630	298 432 073	264 124 630
Rental from fixed assets	24	53 110 228	47 810 964	40 961 051	36 325 242
Interest earned from receivables	25	96 290 038	69 602 148	96 290 038	69 602 148
Interests on investments	26	48 177 770	38 814 998	48 177 770	38 814 996
Licences or permits	27	13 596 844	13 788 739	13 596 844	13 788 739
Agency services	28	26 226 845	23 554 336	26 226 845	23 554 336
Operational revenue	29	7 620 933	41 536 510	7 620 933	41 536 510
Sales of goods and rendering of services	30	21 211 187	26 360 476	21 211 187	26 360 476
<b>Total Exchange Revenue</b>		<b>2 247 222 159</b>	<b>1 997 117 426</b>	<b>2 235 072 982</b>	<b>1 985 631 702</b>
<b>Non-Exchange Revenue</b>					
Property rates	31	602 555 837	572 644 434	602 555 837	572 644 434
Transfers and subsidies	32	2 315 906 610	2 016 138 370	2 312 832 310	2 016 138 370
Fines, penalties and forfeits	33	40 978 661	42 532 264	40 978 661	42 451 266
Interest earned from receivables	25	55 411 975	40 925 649	55 411 975	40 925 649
<b>Total Non-Exchange Revenue</b>		<b>3 014 853 083</b>	<b>2 672 240 717</b>	<b>3 011 778 783</b>	<b>2 672 159 719</b>
<b>Total Revenue</b>		<b>5 262 075 242</b>	<b>4 669 358 143</b>	<b>5 246 851 765</b>	<b>4 657 791 421</b>
<b>Expenditure</b>					
Employee related cost	34	1 116 181 928	1 083 007 110	1 104 282 242	1 072 016 183
Remuneration of councillors	35	43 877 151	41 383 620	43 877 151	41 383 620
Irrecoverable debts written off	36	-	69 232 187	-	69 232 187
Debt impairment	37	353 249 004	249 324 547	347 769 222	244 638 494
Depreciation and amortisation	38	1 154 998 144	730 558 848	1 146 713 013	724 406 075
Finance costs	39	50 808 399	57 837 288	50 808 399	57 837 288
Bulk purchases	40	1 018 199 332	856 611 261	1 018 199 332	856 611 259
Inventory consumed	41	275 699 341	225 856 709	275 699 341	225 856 709
Contracted services	42	966 257 288	855 966 477	961 690 928	852 654 126
Government grants and subsidies	43	480 000	480 000	15 480 000	9 671 404
Operational cost	44	295 069 655	274 063 720	290 927 463	271 693 325
<b>Total Expenditure</b>		<b>5 274 820 242</b>	<b>4 444 321 767</b>	<b>5 255 447 091</b>	<b>4 426 000 670</b>
<b>Operating (Deficit) surplus</b>		<b>(12 745 000)</b>	<b>225 036 376</b>	<b>(8 595 326)</b>	<b>231 790 751</b>
Gain (loss) on disposal of assets	45	2 994 243	(583 009 739)	3 005 871	(583 009 739)
Fair value adjustments	46	61 562 019	125 144 354	61 562 019	125 144 354
Inventories (write-down)	47	(77 784 841)	(88 136 885)	(77 784 841)	(88 136 885)
Impairment losses	48	(53 821 882)	(31 150 752)	(45 352 723)	(31 148 802)
<b>Deficit for the year</b>		<b>(79 795 461)</b>	<b>(352 116 646)</b>	<b>(67 165 000)</b>	<b>(345 360 321)</b>

\* See Note 62

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Statement of changes in net assets

Figures in Rand	Note	Revaluation reserve	Accumulated surplus	Total net assets
<b>Group</b>				
Opening balance as previously reported		7 601 069 756	5 890 056 241	13 491 125 997
Adjustments				
Correction of errors	62	-	203 054 805	203 054 805
<b>Balance at 01 July 2022 as restated*</b>		<b>7 601 069 756</b>	<b>6 093 111 046</b>	<b>13 694 180 802</b>
Deficit for the year		-	(352 116 646)	(352 116 646)
Increase in revaluation reserve		2 774 638 349	-	2 774 638 349
Total changes		2 774 638 349	(352 116 646)	2 422 521 703
<b>Restated* Balance at 01 July 2023</b>		<b>10 375 708 105</b>	<b>5 740 994 441</b>	<b>16 116 702 546</b>
Surplus for the year		-	(79 795 461)	(79 795 461)
Total changes		-	(79 795 461)	(79 795 461)
<b>Balance at 30 June 2024</b>		<b>10 375 708 105</b>	<b>5 661 198 980</b>	<b>16 036 907 085</b>
Note(s)				
<b>Company</b>				
Opening balance as previously reported		7 483 281 095	5 595 213 732	13 078 494 827
Adjustments				
Correction of errors	62	-	173 556 291	173 556 291
<b>Restated Balance at 01 July 2022</b>		<b>7 483 281 095</b>	<b>5 768 770 023</b>	<b>13 252 051 118</b>
Deficit for the year		-	(345 360 321)	(345 360 321)
Increase in revaluation reserve		2 774 638 349	-	2 774 638 349
Total changes		2 774 638 349	(345 360 321)	2 429 278 028
<b>Restated* Balance at 01 July 2023</b>		<b>10 257 919 444</b>	<b>5 423 409 736</b>	<b>15 681 329 180</b>
Deficit for the year		-	(67 165 000)	(67 165 000)
Total changes		-	(67 165 000)	(67 165 000)
<b>Balance at 30 June 2024</b>		<b>10 257 919 444</b>	<b>5 356 244 736</b>	<b>15 614 164 180</b>
Note(s)			62	

\* See Note 62



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Cash Flow Statement

Figures in Rand	Note(s)	Group		Company	
		2024	2023 Restated*	2024	2023 Restated*
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Cash receipts from customers		2 239 341 481	2 131 605 970	2 232 422 443	2 124 280 784
Transfers and Subsidies		2 302 888 120	1 885 525 818	2 299 813 820	1 885 525 818
VAT received		227 002 913	108 807 311	227 002 913	108 807 311
Interest		77 148 392	56 776 193	77 148 392	56 776 191
<b>Payments</b>					
Suppliers and employees		(3 747 783 799)	(3 549 701 426)	(3 741 698 520)	(3 544 130 559)
Finance charges		(38 318 678)	(46 109 771)	(38 285 264)	(46 073 292)
<b>Net cash from(used) operating activities</b>	50	<b>1 060 278 429</b>	<b>586 904 095</b>	<b>1 056 403 784</b>	<b>585 186 253</b>
<b>Cash flows from investing activities</b>					
<b>Receipts</b>					
Proceeds on disposal of fixed and intangible assets		7 522 738	560 558	7 522 738	560 558
<b>Payments</b>					
Capital assets		(862 885 305)	(602 017 231)	(857 748 726)	(601 342 232)
<b>Net cash flows from investing activities</b>		<b>(855 362 567)</b>	<b>(601 456 673)</b>	<b>(850 225 988)</b>	<b>(600 781 674)</b>
<b>Cash flows from financing activities</b>					
<b>Payments</b>					
Decrease in borrowing long-term		(25 088 400)	(22 587 835)	(25 088 400)	(22 587 835)
Decrease in finance lease		(22 182 291)	(10 115 360)	(22 182 291)	(10 115 360)
<b>Net cash flows from financing activities</b>		<b>(47 270 691)</b>	<b>(32 703 195)</b>	<b>(47 270 691)</b>	<b>(32 703 195)</b>
<b>Net increase/(decrease) in cash</b>		<b>157 645 171</b>	<b>(47 255 773)</b>	<b>158 907 105</b>	<b>(48 298 616)</b>
Cash and cash equivalents at year begin		187 784 673	235 040 446	184 371 391	232 670 007
		<b>345 429 844</b>	<b>187 784 673</b>	<b>343 278 496</b>	<b>184 371 391</b>

\* See Note 62

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
<b>Group - 2024</b>						
<b>Financial performance</b>						
<b>Revenue</b>						
<b>Exchange revenue</b>						
Service charges - Electricity	1 820 600 637	5	1 820 600 642	1 368 902 843	(451 697 799)	BD9
Service charges - Water	350 836 030	-	350 836 030	298 432 073	(52 403 957)	BD11
Service charges - Waste Water Management	147 318 730	(6)	147 318 724	170 741 829	23 423 105	BD10
Service charges - Waste Management	141 640 330	-	141 640 330	142 911 569	1 271 239	BD1
Sale of goods and rendering of services	14 186 610	5 882	14 192 492	21 211 186	7 018 694	BD8
Agency services	31 873 566	-	31 873 566	26 226 844	(5 646 722)	BD4
Interest earned from receivables	89 293 921	-	89 293 921	96 290 038	6 996 117	BD1
Interest on investments	20 940 000	20 000 000	40 940 000	48 177 770	7 237 770	BD5
Rental from fixed assets	65 255 653	(26 999 989)	38 255 664	53 081 228	14 825 564	BD7
Licence and permits	14 097 901	-	14 097 901	13 596 844	(501 057)	BD1
Operational revenue	39 155 845	108 002	39 263 847	7 649 933	(31 613 914)	BD6
	<b>2 735 199 223</b>	<b>(6 886 106)</b>	<b>2 728 313 117</b>	<b>2 247 222 157</b>	<b>(481 090 960)</b>	
<b>Non-exchange revenue</b>						
Property rates	622 442 469	(8)	622 442 461	602 555 837	(19 886 624)	BD1
Fines, penalties and forfeits	42 049 228	(9)	42 049 219	40 978 661	(1 070 558)	BD1
Licences or permits	441 217	-	441 217	-	(441 217)	BD3
Transfer and subsidies	2 280 810 000	30 957 687	2 311 767 687	2 312 832 311	1 064 624	BD1
Interest	22 323 481	-	22 323 481	55 411 975	33 088 494	BD2
Gains on disposal of assets	-	-	-	2 994 242	2 994 242	BD16
Fair value adjustments	-	-	-	61 562 019	61 562 019	BD16
	<b>2 968 066 395</b>	<b>30 957 670</b>	<b>2 999 024 065</b>	<b>3 076 335 045</b>	<b>77 310 980</b>	
<b>Total Revenue</b>	<b>5 703 265 618</b>	<b>24 071 564</b>	<b>5 727 337 182</b>	<b>5 323 557 202</b>	<b>(403 779 980)</b>	
<b>Expenditure</b>						

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
Employee costs	(1 291 128 245)	132 790 440	(1 158 337 805)	(1 116 181 932)	42 155 873	BD1
Remuneration of councillors	(43 513 578)	(363 574)	(43 877 152)	(43 877 152)	-	BD1
Bulk purchases	(1 162 129 938)	143 930 606	(1 018 199 332)	(1 018 199 330)	2	BD1
Inventory consumed	(336 483 400)	37 157 030	(299 326 370)	(275 699 343)	23 627 027	BD1
Debt impairment	(287 553 327)	14 353 194	(273 200 133)	(353 249 003)	(80 048 870)	BD15
Depreciation and amortisation	(290 453 877)	(149 660 700)	(440 114 577)	(1 154 998 144)	(714 883 567)	BD12
Finance charges	(44 535 419)	(6 394 729)	(50 930 148)	(50 808 399)	121 749	BD1
Contracted services	(853 266 083)	(194 109 499)	(1 047 375 582)	(966 257 283)	81 118 299	BD1
Transfers and subsidies	(1 621 700)	1 070 000	(551 700)	(480 000)	71 700	BD1
Irrecoverable debts written off	-	(30 062)	(30 062)	-	30 062	BD14
Operational costs	(311 521 510)	(3 441 393)	(314 962 903)	(295 069 655)	19 893 248	BD1
Inventories (write-down)	-	-	-	(77 784 841)	(77 784 841)	BD13
Impairment losses	-	-	-	(53 821 882)	(53 821 882)	BD13
<b>Total Expenditure</b>	<b>(4 622 207 077)</b>	<b>(24 698 687)</b>	<b>(4 646 905 764)</b>	<b>(5 406 426 964)</b>	<b>(759 521 200)</b>	
<b>Deficit for the year</b>	<b>1 081 058 541</b>	<b>(627 123)</b>	<b>1 080 431 418</b>	<b>(82 869 762)</b>	<b>(1 163 301 180)</b>	

### Company - 2024

#### Financial performance

##### Revenue by source

##### Exchange revenue

Service charges - Electricity	1 820 600 637	5	1 820 600 642	1 368 902 843	(451 697 799)	BD9
Service charges - Water	350 836 030	-	350 836 030	298 432 073	(52 403 957)	BD11
Service charges - Waste Water Management	147 318 730	(6)	147 318 724	170 741 829	23 423 105	BD10
Service charges - Waste Management	141 640 330	-	141 640 330	142 911 569	1 271 239	BD1
Sale of goods and rendering of services	14 186 610	5 882	14 192 492	21 211 186	7 018 694	BD8
Agency services	31 873 566	-	31 873 566	26 226 844	(5 646 722)	BD4
Interest earned from receivables	89 293 921	-	89 293 921	96 290 038	6 996 117	BD1
Interest on investments	20 940 000	20 000 000	40 940 000	48 177 770	7 237 770	BD5
Rental from fixed assets	12 511 900	7	12 511 907	40 961 051	28 449 144	BD7
Licence and permits	14 097 901	-	14 097 901	13 596 844	(501 057)	BD1

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
Operational revenue	39 040 845	2	39 040 847	7 620 933	(31 419 914)	BD6
	<b>2 682 340 470</b>	<b>20 005 890</b>	<b>2 702 346 360</b>	<b>2 235 072 980</b>	<b>(467 273 380)</b>	
<b>Non-exchange revenue</b>						
Property rates	622 442 469	(8)	622 442 461	602 555 837	(19 886 624)	BD1
Fines, penalties and forfeits	42 049 228	(9)	42 049 219	40 978 661	(1 070 558)	BD1
Licences or permits	441 217	-	441 217	-	(441 217)	BD3
Transfer and subsidies	2 280 810 000	30 957 687	2 311 767 687	2 312 832 311	1 064 624	BD1
Interest	22 323 481	-	22 323 481	55 411 975	33 088 494	BD2
Gains on disposal of assets	-	-	-	3 005 870	3 005 870	BD16
Fair value adjustments	-	-	-	61 562 019	61 562 019	BD16
	<b>2 968 066 395</b>	<b>30 957 670</b>	<b>2 999 024 065</b>	<b>3 076 346 673</b>	<b>77 322 608</b>	
<b>Total Revenue</b>	<b>5 650 406 865</b>	<b>50 963 560</b>	<b>5 701 370 425</b>	<b>5 311 419 653</b>	<b>(389 950 772)</b>	
<b>Expenditure</b>						
Employee costs	(1 258 954 173)	130 709 168	(1 128 245 005)	(1 104 282 246)	23 962 759	BD1
Remuneration of councillors	(43 513 578)	(363 574)	(43 877 152)	(43 877 152)	-	BD1
Bulk purchases	(1 162 129 938)	143 930 606	(1 018 199 332)	(1 018 199 332)	-	BD1
Inventory consumed	(336 483 400)	37 157 030	(299 326 370)	(275 699 343)	23 627 027	BD1
Debt impairment	(272 219 994)	12 553 198	(259 666 796)	(347 769 221)	(88 102 425)	BD15
Depreciation and amortisation	(272 219 995)	(153 388 560)	(425 608 555)	(1 146 713 013)	(721 104 458)	BD12
Finance charges	(44 535 419)	(6 394 729)	(50 930 148)	(50 808 399)	121 749	BD1
Contracted services	(839 992 407)	(190 015 791)	(1 030 008 198)	(961 690 923)	68 317 275	BD1
Transfers and subsidies	(11 621 700)	(3 930 000)	(15 551 700)	(15 480 000)	71 700	BD1
Irrecoverable debts written off	-	(30 062)	(30 062)	-	30 062	BD14
Operational costs	(308 363 113)	(3 541 653)	(311 904 766)	(290 927 463)	20 977 303	BD1
Inventories (write-down)	-	-	-	(77 784 841)	(77 784 841)	BD13
Impairment losses	-	-	-	(45 352 723)	(45 352 723)	BD13
	<b>(4 550 033 717)</b>	<b>(33 314 367)</b>	<b>(4 583 348 084)</b>	<b>(5 378 584 656)</b>	<b>(795 236 572)</b>	
<b>Total Expenditure</b>	<b>1 100 373 148</b>	<b>17 649 193</b>	<b>1 118 022 341</b>	<b>(67 165 003)</b>	<b>(1 185 187 344)</b>	
<b>Deficit for the year</b>						

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
<b>Financial position</b>						
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	295 856 620	(42 905 325)	252 951 295	343 278 489	90 327 194	BD18
Receivables from exchange transactions	817 952 062	169 945 625	987 897 687	861 879 737	(126 017 950)	BD20
Receivables from non-exchange transactions	65 651 723	253 493 851	319 145 574	328 668 313	9 522 739	BD1
Other current assets	48 496 336	6 072 118	54 568 454	16 584 034	(37 984 420)	BD27
Inventory	162 098 811	(8 101 943)	153 996 868	112 808 412	(41 188 456)	BD19
VAT	462 611 166	20 730 158	483 341 324	120 189 754	(363 151 570)	BD21
Current portion of non current receivables	22 055	(22 055)	-	-	-	
<b>Total current assets</b>	<b>1 852 688 773</b>	<b>399 212 429</b>	<b>2 251 901 202</b>	<b>1 783 408 739</b>	<b>(468 492 463)</b>	
<b>Non-current assets</b>						
Investment property	973 542 543	20 588 871	994 131 414	1 024 964 286	30 832 872	BD1
Property, plant and equipment	13 325 928 061	2 022 395 690	15 348 323 751	14 571 550 142	(776 773 609)	BD1
Biological assets	20 812 008	3 461 875	24 273 883	15 622 003	(8 651 880)	BD28
Living and non-living resources	-	-	-	11 606 694	11 606 694	BD28
Heritage assets	21 867 568	-	21 867 568	21 867 568	-	BD1
Intangible assets	190 094 325	(155 047 568)	35 046 757	35 556 808	510 051	BD1
Non-current receivables from non-exchange transactions	144 352	(144 352)	-	-	-	
Other non-current assets	1 000	-	1 000	1 000	-	BD1
<b>Total non-current assets</b>	<b>14 532 389 857</b>	<b>1 891 254 516</b>	<b>16 423 644 373</b>	<b>15 681 168 501</b>	<b>(742 475 872)</b>	
<b>Total assets</b>	<b>16 385 078 630</b>	<b>2 290 466 945</b>	<b>18 675 545 575</b>	<b>17 464 577 240</b>	<b>(1 210 968 335)</b>	
<b>Liabilities</b>						
<b>Current liabilities</b>						
Financial liabilities	5 755 549	15 297 163	21 052 712	38 389 034	17 336 322	BD24
Consumer deposits	67 346 081	(551 936)	66 794 145	65 469 912	(1 324 233)	BD1
Trade and other payables from exchange transactions	857 004 205	(284 261 670)	572 742 535	731 057 495	158 314 960	BD22
Trade and other payables from non-exchange transactions	156 389 303	(129 816 254)	26 573 049	16 735 566	(9 837 483)	BD23

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
Provision	36 896 819	80 370 729	117 267 548	19 958 033	(97 309 515)	BD26
VAT	537 066 298	(53 355 769)	483 710 529	119 142 965	(364 567 564)	BD21
<b>Total current liabilities</b>	<b>1 660 458 255</b>	<b>(372 317 737)</b>	<b>1 288 140 518</b>	<b>990 753 005</b>	<b>(297 387 513)</b>	
<b>Non-current liabilities</b>						
Financial liabilities	387 498 162	(35 232 931)	352 265 231	332 266 184	(19 999 047)	BD1
Provision	181 641 315	9 910 291	191 551 606	125 695 555	(65 856 051)	BD26
Other non-current liabilities	188 093 000	26 754 000	214 847 000	401 698 326	186 851 326	BD25
<b>Total non-current liabilities</b>	<b>757 232 477</b>	<b>1 431 360</b>	<b>758 663 837</b>	<b>859 660 065</b>	<b>100 996 228</b>	
<b>Total liabilities</b>	<b>2 417 690 732</b>	<b>(370 886 377)</b>	<b>2 046 804 355</b>	<b>1 850 413 070</b>	<b>(196 391 285)</b>	
<b>Net assets</b>	<b>13 967 387 898</b>	<b>2 661 353 322</b>	<b>16 628 741 220</b>	<b>15 614 164 170</b>	<b>(1 014 577 050)</b>	
<b>Net Assets</b>						
Accumulated Surplus/(Deficit)	6 308 275 889	78 111 783	6 386 387 672	5 356 244 693	(1 030 142 979)	
Revaluation reserves	7 659 112 137	2 583 241 543	10 242 353 680	10 257 919 444	15 565 764	BD1
<b>Total current net assets</b>	<b>13 967 388 026</b>	<b>2 661 353 326</b>	<b>16 628 741 352</b>	<b>15 614 164 137</b>	<b>(1 014 577 215)</b>	
<b>Cash flow</b>						
<b>Cash flow from operating activities</b>						
<b>Receipts</b>						
Cash receipts from customers	3 319 223 388	18 960 944	3 338 184 332	2 232 422 443	(1 105 761 889)	CF2
Transfers and Subsidies	2 280 810 000	30 957 687	2 311 767 687	2 299 813 820	(11 953 867)	CF1
Interest	20 940 000	20 000 000	40 940 000	77 148 392	36 208 392	CF3
VAT received	-	-	-	227 002 913	227 002 913	
	<b>5 620 973 388</b>	<b>69 918 631</b>	<b>5 690 892 019</b>	<b>4 836 387 568</b>	<b>(854 504 451)</b>	
<b>Payments</b>						
Suppliers and employees	(4 619 406 314)	93 156 743	(4 526 249 571)	(3 741 698 520)	784 551 051	
Finance charges	(42 308 648)	3 800 000	(38 508 648)	(38 285 264)	223 384	
	<b>(4 661 714 962)</b>	<b>96 956 743</b>	<b>(4 564 758 219)</b>	<b>(3 779 983 784)</b>	<b>784 774 435</b>	

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
<b>Net cash from/(used) operating activities</b>	<b>959 258 426</b>	<b>166 875 374</b>	<b>1 126 133 800</b>	<b>1 056 403 784</b>	<b>(69 730 016)</b>	
<b>Cash flow from investing activities</b>						
<b>Receipts</b>						
Proceeds on disposal of fixed and intangible assets	-	4 651	4 651	7 522 738	7 518 087	CF1
<b>Payments</b>						
Capital assets	(870 983 418)	(161 487 226)	(1 032 470 644)	(857 748 726)	174 721 918	CF1
<b>Net cash from/(used) investing activities</b>	<b>(870 983 418)</b>	<b>(161 482 575)</b>	<b>(1 032 465 993)</b>	<b>(850 225 988)</b>	<b>182 240 005</b>	
<b>Cash flow from financing activities</b>						
<b>Payments</b>						
Decrease in borrowings long term	(25 088 400)	1	(25 088 399)	(25 088 400)	(1)	CF1
Decrease in finance leases	-	-	-	(22 182 291)	(22 182 291)	CF1
	<b>(25 088 400)</b>	<b>1</b>	<b>(25 088 399)</b>	<b>(47 270 691)</b>	<b>(22 182 292)</b>	
<b>Net Increase/ (Decrease) in cash held</b>	<b>63 186 608</b>	<b>5 392 800</b>	<b>68 579 408</b>	<b>158 907 105</b>	<b>90 327 697</b>	
Cash/cash equivalents at the year begin:	232 670 007	(48 298 614)	184 371 393	184 371 391	(2)	
Cash/cash equivalents at the year end:	295 856 615	(42 905 814)	252 950 801	343 278 496	90 327 695	

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

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	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
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Figures in Rand

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### Commentary



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
BD1 - Variance is below 10%. No explanation needed.						
BD2 - The increase in interest is due to increased interest rate which resulted in higher debt book balance.						
BD3 - The underperformance on licence and permits is due to no performance on instructor's certificate.						
BD4 - The underperformance is due to customers using different platforms for application of licences.						
BD5 - The increase in interest is as a result of investment made by the municipality and due to the increase in interest rate. The investments are made in accordance with the National Treasury payment schedule.						
BD6 - There was no revenue earned on incidental cash surpluses, insurance fund and sale of property. PHA: This variance is as a result of the entity not being able to bill Annerdale Extension 2. Consequently less administration fees were billed by the entity.						
BD7 - Rental from fixed assets anticipated revenue increase is attributable to the revenue from straight lining as required by GRAP and due to the increase in customers that are using the municipal facilities for events. PHA: The variance is as a result of vacant units which were not available for rental in time.						
BD8 - The increase is due to bus fare services, occupational certificates and academic services.						
BD9 - The reason for the decrease is attributable to consumers using alternative energy as well as the impact of load shedding. Massive decrease is expected due to an increase of ESKOM tariffs and illegal connections.						
BD10 - The normal increase are attributable to the work in progress as zoning on properties are being verified and adjustments made to accounts. The completeness exercise is continuing to ensure alignment between zoning and billing.						
BD11 - Water is underperforming because of faulty meters and flat batteries. Most of the accounts without readings were billed a fixed charge as approved by the council.						
BD12 - Actual depreciation journals are captured monthly. This highly indicates insufficient budget for depreciation. In terms of National Treasury Circular the municipality cannot budget for a deficit.						
BD13 - Impairment losses and inventory write-down is as a result of unplanned circumstances. In terms of the National Treasury Circular, the municipality cannot budget for a deficit. PHA: The variance is as a result of impairment loss which was not anticipated and hence not budgeted for..						

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
BD14- Bad debts written off in the current financial year were written off against provision for impairment.						
BD15- The increase in debt provision was as a result of the increase in the municipality debt book and also customers who in turn of the outcome of the impairment assessment are unlikely to be able to settle their accounts when due.						
BD16- The resultant gains on disposal as well as fair value adjustments are based purely on market conditions at the time of the transaction. No budget is allocated due to the nature of these transactions. PHA: The variance is as a result of a loss on disposal of assets which was not anticipated and hence not budgeted for						
BD18- Increase in cash and cash equivalents was due to the investments that were made during the financial year and were redeemed.						
BD19- Attributable to water reticulation and electrical supplies. Cable theft and water pipe bursts were not anticipated.						
BD20- The underperformance on debtors is due to the fact that customers were given incentives on the balance outstanding and some debts were written down.						
BD21- The reason for VAT payable budgeting is due to the high debtors book compared to the creditors, therefore VAT output was expected to be more than VAT input at year end due to the outstanding debtors book.						
BD22- The increase is due to the accruals that were made at year end.						
BD23- The increase is due to acceleration of spending on grants.						
BD24- The overperformance is as a result of the budget allocation being made under non current provisions instead.						
BD25- The variance is due to overbudgeting.						
BD26- Management had expected a significant increase in the balance of provisions for the following reasons: - A notable steady increase in the interest rate over the year which could impact the actuarial valuation of the provision. - The Welevreden landfill site has only 2 years remaining. This could result in a higher provision as the time for restoration of the land is fast approaching.						
BD27: The budget for rental straight-lining was accurately provided for in line with the data strings which is under "other current assets". However, the actual amount for rental straight-lining has been presented under property rental debtors within the "receivables from exchange transactions" line on the AFS. This misalignment stems from an AG finding during the 2023 audit.						
BD28: The budget is a cumulative balance of both biological assets and living resources. In the prior years the MSCOA chart did not have a separate segment for living and non living resources. The movement was caused by the change in the number of animals in the game reserve.						

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Comparison of Budget and Actual Amounts for the year ended 30 June 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
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Figures in Rand

CF1- Variance is below 10%. No explanation needed.

CF2- The reason for the decrease is attributable to consumers using alternative energy and loadshedding.

CF3- The increase in interest is as a result of investments made by the municipality and due to the increase in interest rate. The investments are made in accordance with the National Treasury payment schedule. The interest received from consumer debtors has also been reclassified to the interest received line which was previously presented under "cash receipts from customers".

CF4- The underperformance on bulk purchases electricity is due to loadshedding.

CF5- Underprovision on finance charges.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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

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

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

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

These accounting policies are consistent with the previous period.

### 1. Summary of significant accounting policies

#### 1.1 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the Group and all values are rounded to the nearest rand.

#### 1.2 Going concern assumption

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

#### 1.3 Materiality

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

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

#### 1.4 Comparative figures

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

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

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

#### 1.5 Significant judgements and sources of estimation uncertainty

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

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Receivables

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### Allowance for slow moving, damaged and obsolete stock

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

#### Fair value estimation

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

#### Impairment testing

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

The municipality reviews and tests the carrying value of cash generating assets when events in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the discounted cash-flow projection assumption may change, which may then impact our estimations, and may then require a material adjustment to the carrying value of assets.

Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as exchange rates, inflation and interest.

#### Provisions

Provisions were raised and management determined an estimate based on the information available. The provision is discounted when the time value of money is material. Additional disclosure of these estimates of provisions are included in note 21 - Provisions

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Post-retirement benefits

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

The group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement and long term benefit obligations. In determining the appropriate discount rate, the group considers the market yields at the reporting date on government bonds. Where there is no deep market in the government bonds with a sufficiently long maturity to match the estimated maturity of all the benefits paid, the municipality uses current market rates of the appropriate term to discount shorter payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post retirement and other long-term obligations are based on current market conditions. Additional information is disclosed in Note 20.

#### Effective interest rate

The group used the prime interest rate to discount future cash flows.

#### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

In the application of the group's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered too 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.

#### Point that water, minerals, oils and gas and other non-regenerative resources meet the definition of inventory

Key judgements made and assumptions applied to establish where water, minerals, oils and gas and other non-regenerative resources meet the definition of inventory, are as follows:

The municipality regards water as inventory at the point where it enters the City's purification network. However, raw water in dams is not regarded as inventory, as it is not under the City's control. Control is demonstrated by an entity's ability to access.]

#### Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. The municipality council approved consumption estimates based on estimates which is used where the inaccessible meters does not have history that could be substantiated. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

### 1.6 Biological assets that form part of an agricultural activity

A biological asset is a living animal or plant that is used by the Group in an agricultural activity to attain agricultural produce, the harvested product of the Group's biological assets.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.6 Biological assets that form part of an agricultural activity (continued)

#### Initial and subsequent measurement

Biological assets and agricultural produce are initially and subsequently measured at their fair value less estimated point-of-sale costs and agricultural produce harvested from the group's biological assets are measured at their fair value less estimated point-of-sale costs at the point of harvest.

Where biological assets and agricultural produce are acquired 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.

Point-of-sale costs include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, transfer taxes and duties but exclude transport and other costs necessary to get the assets to a market.

The fair value of biological assets is estimated by reference to the market prices. The fair value of the plantations is based on the combined fair value of the land and the trees. The fair value of the raw land and land improvements is then deducted from the combined fair value to determine the fair value of the trees.

A gain or loss arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from a change in the fair value less estimated point-of-sale costs is included in surplus or deficit for the period in which it arises. A gain or loss arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

#### Derecognition

Biological assets are derecognised when the Group disposes thereof or when it is no longer probable that future economic benefits or service potential will be generated from the biological assets. Any gain or loss that arises at the point of derecognition is recognised in the Statement of financial performance at the point of derecognition.

### 1.7 Investment property

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

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

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

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

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

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

The cost of self-constructed investment property is the cost at date of completion.

# Polokwane Municipality

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## Accounting Policies

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### 1.7 Investment property (continued)

Transfers are made to and or from investment property only when there is a change in use. For a transfer from investment property to owner occupied (property, plant and equipment) the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to date of change in use

#### Initial recognition

At initial recognition, the group measures investment property at cost including transaction costs once it meets the definition of investment property. 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.

#### Subsequent measurement – fair value model

Subsequent to initial measurement investment property is measured at fair value. This entails determining the fair value of the investment property on a regular basis. To the extent that the fair value model is applied investment property is not depreciated.

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

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

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable, or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

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

#### Derecognition/Disposal

Investment properties are derecognised (eliminated from the Statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of financial performance.

### 1.8 Property, plant and equipment

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

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



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## Accounting Policies

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

#### Initial recognition and measurement

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

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

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

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

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

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

#### Subsequent measurement - cost model

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component

Subsequently all movable and leased assets are measured at cost, less accumulated depreciation and accumulated impairment losses.

#### Subsequent measurement - revaluation model

Subsequent to initial recognition, Infrastructure assets and community assets are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses; whilst land is carried at a revalued amount based on municipal valuations, less subsequent accumulated impairment losses. Revaluations are performed by external independent values every three years to coincide with the implementation of the general valuation such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position 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.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

When revalued assets are sold or retired, the amounts included in the revaluation reserve in respect of that assets, are transferred to accumulated surplus or deficit.

# Polokwane Municipality

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## Accounting Policies

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

#### Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the group. 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:

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Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Office equipment	Straight-line	3 - 10 years
IT equipment	Straight-line	3 - 7 years
Infrastructure	Straight-line	3 - 100 years
Community assets	Straight-line	5 - 100 years
Other property, plant and equipment	Straight-line	2 - 15 years

The estimated useful life, residual values and depreciation method are assessed at each reporting date on an indicator basis.

The useful lives, residual values and depreciation method are reviewed annually at the end of the financial year where there is any indication that the group's expectations about the residual amount and the useful life of an asset has changed since the preceding reporting date. Any adjustments arising from the annual review are applied prospectively.

Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

#### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying values of assets (Cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of financial performance as a gain or loss on disposal of property, plant and equipment.

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

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

# Polokwane Municipality

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## Accounting Policies

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

#### Site rehabilitation and restoration costs

Where the Group has an obligation to rehabilitate and restore items of property, plant and equipment such obligations are referred to as "rehabilitation provisions". The cost of an item of property, plant and equipment includes the initial estimate of the costs of rehabilitation and restoring the site on which it is located, the obligation for which the Group incurs either when the item is acquired or as a consequence of having used the item during a particular period.

As the related asset is measured using the cost model: -

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

### 1.9 Intangible assets

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

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Item	Depreciation method	Average useful life
Computer software, other	Straight-line	3 - 5 years, Indefinite
Service operating and land rights	Straight-line	Indefinite

#### Initial recognition and measurement

Intangible assets are initially recognised at cost. The cost of an intangible assets is the purchase price and other costs attributable to bring the intangible assets to the location and condition necessary for it to be capable of operating in the manner intended by the group, or where an intangible assets is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

#### Subsequent measurement

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 5 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

#### Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible assets is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of financial performance.

### 1.10 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the unaudited annual financial statements.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.10 Heritage assets (continued)

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

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

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

### Initial recognition and measurement

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

Heritage assets are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of heritage assets is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the group. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired by the group for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. The cost of an item of heritage assets acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

### Subsequent measurement

Subsequent expenditure relating to heritage assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the group and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Group replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all heritage assets are measured at cost less accumulated impairment losses. Heritage assets are not depreciated.

# Polokwane Municipality

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## Accounting Policies

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### 1.10 Heritage assets (continued)

#### Dererecognition

The carrying amount of an item of heritage assets is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated impairment losses) and the disposal proceeds is included in the Statement of financial performance as a gain or loss on disposal of heritage assets.

### 1.11 Investment in controlled entities

In the municipality's separate draft annual financial statements, investments in investments in controlled entities are carried at cost.

Investments in controlled entities that are accounted for in accordance with the accounting policy on Financial instruments in the consolidated draft annual financial statements, are accounted for in the same way in the controlling entity's separate draft annual financial statements.

### 1.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The Group determines the classification of its financial instruments at initial recognition.

A financial instrument is recognised if the entity becomes a party to the contractual provisions of the instrument.

#### 1.12.1 Classification of financial instruments

##### Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the group are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

The group has the following types of financial assets as reflected on the face of the Statement of financial position or in the notes thereto:

#### Type of financial asset

Finance lease receivables  
Long-term receivables  
Current portion of long-term receivables  
Consumer debtors  
Other debtors  
Bank balances and cash

#### Classification in terms of GRAP 104

Financial assets at amortised cost  
Financial assets at amortised cost  
Financial assets at amortised cost  
Financial assets at amortised cost  
Financial assets at amortised cost  
Financial assets at amortised cost

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## Accounting Policies

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### 1.12 Financial instruments (continued)

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

#### Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of financial liabilities and the classification determining how they are measured exist:

- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value.

The group has the following types of financial liabilities as reflected on the face of the Statement of financial position or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Long-term liabilities	Financial liability at amortised cost
Current portion of long-term liabilities	Financial liability at amortised cost
Other creditors	Financial liability at amortised cost

Any other financial liabilities should be classified as financial liabilities at amortised cost.

#### 1.12.2 Initial and subsequent measurement

##### Initial recognition and measurement

A financial instruments is recognised, when the group becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instruments not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added or deducted from the fair value, as appropriate on initial recognition.

# Polokwane Municipality

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## Accounting Policies

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### 1.12 Financial instruments (continued)

#### Subsequent measurement – Financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of financial performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of financial performance.

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably are subsequently measured at cost less any impairment. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any calculated impairment is recognised in the Statement of financial performance.

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 assets. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis.

Trade and other receivables (excluding Value Added Taxation, prepayments and operating lease receivables), loans to group and loans that have fixed and determinable payments that are not quoted in an active market are classified as financial assets at amortised cost.

Financial assets measured at fair value are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of financial performance.

#### Subsequent measurement – Financial liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of financial performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

### 1.12.3 Impairment of financial assets

#### Consumer debtors

Consumer debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

#### Other debtors

Other debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.

# Polokwane Municipality

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## Accounting Policies

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### 1.12 Financial instruments (continued)

#### 1.12.4 Derecognition

##### Financial assets

The group derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets 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 group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial assets, the group continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

##### Financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

### 1.13 Consumer deposits

The municipality recognises consumer deposits as a current liability when the municipality becomes a party to the contract i.e. when the deposit is made. The consumer deposit is recognised as a liability as the municipality has an obligation to pay the money back to the consumer once the consumer account is closed. As the timing of when a consumer will close their account is unknown, the consumer deposits are classified as a current liability.

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

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

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

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

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

### 1.14 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the group. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

#### Entity as lessee - Finance leases

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

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

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

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

#### Entity as lessor - operating leases



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### 1.14 Leases (continued)

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The liability is not discounted.

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. Income for leases is disclosed under revenue in statement of financial performance.

### 1.15 Inventories

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the inventories can be measured reliably.

#### Initial measurement:

Inventories are initially measured at cost. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired through a non-exchange transaction, their costs are their fair value as at the date of acquisition.

#### Subsequent measurement:

##### *Land and water inventory:*

Subsequently inventories are measured at the lower of cost and net realisable value unless distributed through a non-exchange transaction or consumed in the production process of goods to be distributed at no charge or for a nominal charge, in which case they are measured at the lower of cost and current replacement cost.

##### *Consumables:*

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

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

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

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

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

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset. The cost of inventories is assigned using the weighted average cost formula, except for water which is determined at cost at the reporting date due to it being measured at the lower of cost and current replacement cost.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.16 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The group classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

### 1.17 Impairment of cash-generating assets

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

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

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### 1.17 Impairment of cash-generating assets (continued)

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

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

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

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

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

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.

#### Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an group's objective of using the asset.

The group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the group designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The group assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the group estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the group applies the appropriate discount rate to those future cash flows.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.17 Impairment of cash-generating assets (continued)

#### Basis for estimates of future cash flows

In measuring value in use the group:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

#### Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current prime rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the group recognises a liability only to the extent that is a requirement in the Standard of GRAP.

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

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.17 Impairment of cash-generating assets (continued)

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the group determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the group use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.17 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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

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

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

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

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

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

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

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

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.18 Impairment of non-cash-generating assets (continued)

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

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

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

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

- \* Assets acquired by the municipality are mainly used as per the municipality's mandate for service delivery purposes to customers that pay for the services but also to indigents. As the assets that are used for service delivery are similar, assets that generate cash flows cannot be distinguished from the non-cash generating assets and therefore are distinguished as non-cash generating.
- \* In the event that the assets that generate cash flows can be clearly identified the assets will be designated as cash-generating.

#### Designation

At initial recognition, the group designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an group's objective of using the asset.

The group designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The group designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the group expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the group designates the asset as a non-cash-generating asset and applies this accounting policy.

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

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The group assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the group estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.18 Impairment of non-cash-generating assets (continued)

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the group would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

#### Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the group recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.18 Impairment of non-cash-generating assets (continued)

#### Reversal of an impairment loss

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the group estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

### 1.19 Employee benefits

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

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

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

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.19 Employee benefits (continued)

#### Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

#### Post-employment benefits

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

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

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

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.19 Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.19 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the audited annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.19 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.19 Employee benefits (continued)

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### 1.20 Provisions

Provisions are recognised when the group has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the group, 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.

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 the Statement of financial performance as a finance cost as it occurs.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.20 Provisions (continued)

#### Environmental rehabilitation provisions

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the group's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of financial performance.

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

### 1.21 Contingent assets and contingent liabilities

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the group.

### 1.22 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.23 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.23 Revenue (continued)

#### Recognition and measurement

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the group and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Stage of completion is determined by a variety of methods. Depending on the nature of the transaction, the methods may include:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue from exchange transactions refers to revenue that accrued to the group directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the group received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.23 Revenue (continued)

#### 1.23.1 Revenue from exchange transactions

##### Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without it being invoiced. The municipality council approved consumption estimates based on estimates which is used where the inaccessible meters does not have history that could be substantiated. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to Sewerage and refuse removal is recognised monthly in arrears by applying the approved tariff. The municipality use the approved tariff for basic charge and based on the size of the property determine the revenue to be recognised..

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

##### Pre-paid electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

##### Interest earned and rentals received

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

##### Traffic charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

##### Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of the principal has been quantified. The income recognised is in terms of the agency agreement.

##### Sale of goods

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

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group 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 group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Revenue recognition of unclaimed deposits

Unclaimed deposits older than three (3) years are recognised as revenue.

##### Revenue from bus fares



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.23 Revenue (continued)

Paper Ticket: Revenue from the sales of Paper ticket is recognised as revenue by the municipality at the point of sale.

Automated Fare collection system: Revenue from the sale of automated fare collection card will be recognised at the point of sale. Revenue for service rendered will be recognised based on the usage of the bus services by the commuters.

#### Parking fee revenue

Revenue from Parking fees is recognised when the municipality issues the respective invoice to the agent.

### 1.23.2 Revenue from non-exchange transactions

#### Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

#### Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the group is entitled to collect.

Subsequent to initial recognition and measurement, the group assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

#### Donations and contributions

Donations and funding are recognised as revenue to the extent that the group has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

#### Transfers and subsidies

##### Unconditional grants

Equitable share allocations are recognised in revenue at the start of the financial year.

##### Conditional grants

Conditional grants recognised as revenue to the extent that the Group has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

#### Services received in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the group and the fair value of the assets can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.24 Unspent conditional grants

Revenue received from 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. To the extent where the obligations have not been met, a liability is recognised.

### 1.25 Investment income

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

### 1.26 Borrowing costs

Borrowing costs are interest and other expenses incurred by an Group in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the Statement of financial performance in the period in which they are incurred.

### 1.27 Unauthorised expenditure

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the group's approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the group otherwise than in accordance with this Act.

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) also defines a Vote as:

- One of the main segments into which a budget of a group is divided for the appropriation of money for the different departments or functional areas of the group; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The group uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the group's budget segments within the group are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

### 1.28 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

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

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

### 1.29 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the group's supply chain management policy.

# Polokwane Municipality

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## Accounting Policies

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### 1.29 Irregular expenditure (continued)

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of financial performance and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

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

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

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

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

### 1.30 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

### 1.31 Segment information

A segment is an activity of an entity:

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

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

The reportable segments identified are those functional segments reported in the Government Finance Statistics (GFS's) format and the Municipal Vote (Departmental) format per the Monthly Section 71 Management Reports. The information that will be reported is aligned to the monthly section 71 reports which are reviewed by the executive management. The Government Finance Statistics (GFS's) format allows for universal comparability of segments. The main factors considered in selecting the segments were the level of comparability with other preparers and a level of aggregation that does not detract from presenting the separate revenue or service delivery components.

The Municipality uses the Municipal Vote (Departmental) as Primary and the GFS as Secondary segment reporting levels. The assets and liabilities are not reviewed at all on a segregated basis.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.31 Segment information (continued)

#### Measurement

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

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

### 1.32 Budget information

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

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

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

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

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

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

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budgeted and actual amount is material.

All comparisons of the budget and actual amounts shall be presented on a comparative basis to the budget. Comparative information includes the following:

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

### 1.33 Related parties and related party transactions

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Related parties include key management personnel, close members of family of key management and councillors.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.33 Related parties and related party transactions (continued)

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Key management personnel include all heads of department or members of the municipal council of the reporting municipality where that council has jurisdiction. The Council, together with the Municipal Manager and Section 57 employees has authority and responsibility to plan and control the activities of the municipality, to manage the resources and for the overall achievement of municipal objectives.

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

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

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

### 1.34 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.35 Statutory receivables

#### 1.35.1 Identification

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

The group has the following major categories under the ambit of statutory receivables:

- VAT receivables, in terms of the VAT Act;
- Rates debtors, in terms of the Municipal Property Rates Act;
- Traffic fine debtors, in terms of the National Traffic Act as well as the Criminal Procedure Act.

#### 1.35.2 Recognition

The group recognises statutory receivables as follows:

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

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.35 Statutory receivables (continued)

#### 1.35.3 Measurement

The group initially measures statutory receivables at their transaction amount.

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

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

#### 1.35.4 Impairment

Statutory receivables, other than those measured at fair value, are assessed for indicators of impairment at the end of each reporting period. Statutory receivables are impaired where there is objective evidence of impairment of Statutory receivables (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 in accordance with GRAP 108.

A provision for impairment of receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

According to GRAP 108, the assessment for impairment needs to be made for each individual financial asset separately or for groups of statutory receivables with similar credit risks. The following methodology was followed to make a provision for bad debts for the year under review:

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

Rates debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

#### 1.35.5 Derecognition

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

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

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

### 1.36 Value Added Tax

The group is registered with the South African Revenue Service (SARS) for Value Added Tax on the payment basis, in accordance with Section 15(2)(a) of the Value-Added Tax Act No 89 of 1991.

VAT is accounted for on an accrual basis in the annual financial statements. VAT output accrual and VAT input accrual is separately disclosed in the Annual Financial Statements as these will only become a receivable (for Input VAT Accrual) or payable (for Output VAT accrual) from/to SARS once the actual cash receipt or cash payment relating to the transaction has occurred.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.37 Principal-agent arrangements

The group is party to a principal-agent arrangement for SANRAL, Cigicell Pty Ltd, Park Point Pty Ltd, Easy Pay and the Department of Transport. In terms of the arrangement the group is the principal for SANRAL, Cigicell Pty Ltd, Park Point Pty Ltd and Easy Pay. The Municipality is the agent for the Department of Transport. .

#### Identification

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

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

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

#### Binding arrangement

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

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

#### Assessing which entity benefits from the transactions with third parties

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

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

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

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

#### Recognition

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

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

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

### 1.38 Living resources

Living resources are those resources, other than biological assets that form part of an agricultural activity, that undergo biological transformation.

Living resources include living organisms, for example animals and plants that are used or held for:

- the delivery or provision of goods and services
- research
- conservation
- recreation
- agricultural activities
- education or training; and
- rehabilitation or breeding purposes

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.38 Living resources (continued)

#### Definitions

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Living resources are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

#### Initial and subsequent measurement

A living resource shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and the cost or fair value of the asset can be measured reliably.

The definition of an asset is met if the living resource is controlled by the entity, because of past events, and from which future economic benefits or service potential is expected to flow to the entity. Control is assessed with guidance of GRAP 110.

Living resources are initially recognised at cost on its acquisition date. The cost of a living resource is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost.

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.

Subsequent expenditure relating to living is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset.

Elements of cost are determined with reference to GRAP 110 which take into account borrowing costs as well as combinations of monetary and non-monetary exchanges for acquisitions.

One or more living resources may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets. For example, two entities that are engaged in breeding activities may exchange resources to improve the bloodline of a specific animal. When one non-monetary asset is exchanged for another, the cost of such a living resource is measured at fair value unless the fair value of neither the asset received, nor the asset given up is reliably measurable. If the acquired living resource is not measured at fair value, its cost is measured at the carrying amount of the asset given up. The acquired item is measured in this way even if an entity cannot immediately derecognise the asset given up.

The fair value of an asset for which comparable market transactions do not exist is reliably measurable if (a) the variability in the range of reasonable fair value estimates is not significant for that asset or (b) the probabilities of the various estimates within the range can be reasonably assessed and used in estimating fair value. If an entity can reliably determine the fair value of either the asset received or the asset given up, then the fair value of the asset given up is used to measure the cost of the asset received. This applies unless the fair value of the asset received is more clearly evident.

#### Subsequent measurement – revaluation model

After recognition as an asset, a group of living resources, whose fair value can be measured reliably, are carried at a revalued amount, which is its fair value at the date of the revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Revaluation period will be the same as followed for Property, Plant and Equipment, which is every three years. The accounting treatment for revaluations will be as per GRAP 110

An increase in the carrying amount of living resources as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.38 Living resources (continued)

#### Determining fair value

The fair value of a living resource is the price at which the living resource could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value specifically excludes an estimated price inflated or deflated by special terms or circumstances, such as special considerations or concessions granted by anyone associated with the exchange. Fair value of living and non-living resources is determined and accounted for with guidance from GRAP 110.

#### Depreciation

Living and non-living resources shall not be depreciated due to the nature in which they are held. These animals are kept in the reserves and are left to roam in the reserve without being traced or tagged. Therefore, the revalued amount will be used for the purpose of reporting until the next revaluation date.

#### Derecognition

The carrying amount of a living resources derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue. Gains or losses are calculated as the difference between the carrying values of assets and consideration received / receivable.

### 1.39 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

### 1.40 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the group shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the group shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the audited annual financial statements where applicable.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Accounting Policies

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### 1.41 Service concession arrangements

The group analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements.

#### Where the municipality owns the asset:

In the case where the municipality is the legal owner of the asset, the asset is recognised using the same recognition and measurement criteria as those guided by GRAP 17.

#### Where the municipality does not own the asset:

Where a party (operator) contributes an asset to the arrangement, the group recognises that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognised are measured at their fair value. To the extent that an asset has been recognized, the group also recognises a corresponding liability, adjusted by a cash consideration paid or received.

### 1.42 New standards and interpretations

#### 1.1 Standards, amendments to standards and interpretations issued, but not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2024 or later periods:

##### Standard/ Interpretation:

Effective date: Years beginning on or after	Expected impact:
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#### 1.2 Standards, amendments to standards and interpretations issued, but not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2024 or later periods but are not relevant to its operations:

##### Standard/ Interpretation:

	Effective date: Years beginning on or after	Expected impact:
• GRAP 1 - Presentation of Financial Statements (Going concern)	01 April 2009	Unlikely there will be a material impact
• GRAP 103 - Heritage Assets	01 April 2009	Unlikely there will be a material impact
• GRAP 2023: Improvements to the Standards of GRAP 2023	01 April 2009	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2023	Unlikely there will be a material impact

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company		
	2024	2023	2024	2023	
<b>2. Cash and cash equivalents</b>					
<b>2.1 Cash and cash equivalents</b>					
Cash and cash equivalents consist of the following:					
<b>Call deposits and investments</b>					
Other cash and cash equivalents	245	513	-	-	
Short term deposits	1 949 946	1 793 849	-	-	
	<b>1 950 191</b>	<b>1 794 362</b>	-	-	
<b>Cash at bank</b>					
Bank account	343 465 283	185 975 898	343 264 186	184 357 038	
Cash on hand	14 370	14 413	14 310	14 353	
<b>Total cash and cash equivalents</b>	<b>345 429 844</b>	<b>187 784 673</b>	<b>343 278 496</b>	<b>184 371 391</b>	
<b>2.2 Bank accounts</b>					
The group has the following bank accounts:					
Standard Bank	Business current account - 030172349	342 629 244	183 765 763	342 629 244	183 765 763
Standard Bank	Business current account - Housing account - 330535269	634 942	591 275	634 942	591 275
First National Bank	FNB Bank - Annedale Ext 2 - cheque account - 62808280490	6 185	7 495	-	-
First National Bank	FNB Bank - Polokwane Ext 76 - cheque account - 62808279352	296	561	-	-
First National Bank	FNB Bank - 32 day Interest plus account - 74372485836	1 949 946	1 793 849	-	-
First National Bank	FNB Bank - Refundable deposit - cheque account - 62118359191	245	513	-	-
First National Bank	FNB Bank - Operational - cheque account - 62078322105	194 615	1 610 804	-	-
<b>Total</b>		<b>345 415 473</b>	<b>187 770 260</b>	<b>343 264 186</b>	<b>184 357 038</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 2. Cash and cash equivalents (continued)

#### 2.3 Difference between cash book and bank statement

##### 2024

	Group			Company		
	Cash book	Bank statement	Difference	Cash book	Bank statement	Difference
Standard Bank - Business current account - 030172349	342 629 244	341 491 143	1 138 101	342 629 244	341 491 143	1 138 101
Standard Bank - Business current account - DBSA - 80472818	-	-	-	-	-	-
Standard Bank - Business current account - Grant account - 251753846	-	-	-	-	-	-
Standard Bank - Business current account - Housing account - 330535269	634 942	634 942	-	634 942	634 942	-
First National Bank - Annedale Ext 2 - 62808280490	6 185	6 185	-	-	-	-
First National Bank - Polokwane Ext 76 - 62808279352	296	296	-	-	-	-
First National Bank - 32 day notice - 74372485836	1 949 946	1 949 946	-	-	-	-
First National Bank - Refundable Deposit - 62118359191	245	245	-	-	-	-
First National Bank - Operational - 62078322105	194 615	194 615	-	-	-	-
	<b>345 415 473</b>	<b>344 277 372</b>	<b>1 138 101</b>	<b>343 264 186</b>	<b>342 126 085</b>	<b>1 138 101</b>

##### 2023

	Group			Company		
	Cash book	Bank statement	Difference	Cash book	Bank statement	Difference
Standard Bank - Business current account - 030172349	183 765 763	182 560 100	1 205 663	183 765 763	182 560 100	1 205 663
Standard Bank - Business current account - DBSA - 80472818	-	-	-	-	-	-
Standard Bank - Business current account - Grant account - 251753846	-	-	-	-	-	-
Standard Bank - Business current account - Housing - 330535269	591 275	591 275	-	591 275	591 275	-
First National Bank - Annedale Ext 2 - 62808280490	7 495	7 495	-	-	-	-
First National Bank - Polokwane Ext 76 - 62808279352	561	561	-	-	-	-
First National Bank - 32 day notice - 74372485836	1 793 849	1 793 849	-	-	-	-
First National Bank - Refundable Deposit - 62118359191	513	513	-	-	-	-

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>2. Cash and cash equivalents (continued)</b>				
First National Bank - Operational - 62078322105	1 610 804	1 610 804	-	-
	<b>187 770 260</b>	<b>186 564 597</b>	<b>1 205 663</b>	<b>184 357 038</b>
			<b>183 151 375</b>	<b>1 205 663</b>

No cash and cash equivalents are kept as collateral.

### 3. Receivables from exchange transactions

<b>Net consumer receivables from exchange transactions</b>	3.1				
Electricity		190 477 318	158 697 698	190 477 318	158 697 698
Waste management		109 359 256	95 393 449	109 359 256	95 393 449
Waste water management		95 694 998	75 610 306	95 694 998	75 610 306
Water		243 325 349	210 733 579	243 325 349	210 733 579
		<b>638 856 921</b>	<b>540 435 032</b>	<b>638 856 921</b>	<b>540 435 032</b>
<b>Other receivables from exchange transactions</b>	3.2				
Housing selling scheme		193 189	320 830	193 189	320 830
Property rental debtors		211 566 247	172 193 837	133 949 233	99 737 348
Other sundry debtors		190 203 605	254 586 904	190 203 605	254 586 904
Provision for impairment		(178 575 373)	(197 849 311)	(101 323 211)	(126 076 931)
		<b>223 387 668</b>	<b>229 252 260</b>	<b>223 022 816</b>	<b>228 568 151</b>
<b>Total receivables from exchange transactions</b>		<b>862 244 589</b>	<b>769 687 292</b>	<b>861 879 737</b>	<b>769 003 183</b>

The amount disclosed in this note is net of impairment. Refer to note 3.1 & 3.2 for the amount before the provision (gross) and the actual value of the provision.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 3. Receivables from exchange transactions (continued)

#### 3.1 Consumer receivables

##### Group

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables from exchange transactions</b>						
Electricity	345 120 792	(154 643 474)	190 477 318	315 550 464	(156 852 766)	158 697 698
Waste management	214 321 804	(104 962 548)	109 359 256	189 677 907	(94 284 458)	95 393 449
Waste water management	187 506 702	(91 811 704)	95 694 998	154 649 648	(79 039 342)	75 610 306
Water	465 277 562	(221 952 213)	243 325 349	419 017 287	(208 283 708)	210 733 579
<b>Total consumer receivables from exchange transactions</b>	<b>1 212 226 860</b>	<b>(573 369 939)</b>	<b>638 856 921</b>	<b>1 078 895 306</b>	<b>(538 460 274)</b>	<b>540 435 032</b>

##### Company

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables from exchange transactions</b>						
Electricity	345 120 792	(154 643 474)	190 477 318	315 550 464	(156 852 766)	158 697 698
Waste management	214 321 804	(104 962 548)	109 359 256	189 677 907	(94 284 458)	95 393 449
Waste water management	187 506 702	(91 811 704)	95 694 998	154 649 648	(79 039 342)	75 610 306
Water	465 277 562	(221 952 213)	243 325 349	419 017 287	(208 283 708)	210 733 579
<b>Total consumer receivables from exchange transactions</b>	<b>1 212 226 860</b>	<b>(573 369 939)</b>	<b>638 856 921</b>	<b>1 078 895 306</b>	<b>(538 460 274)</b>	<b>540 435 032</b>

#### 3.1.1 Ageing of consumer receivables

##### Group - 2024

	Total	Not due		Past due		
		Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Electricity	345 120 792	105 808 985	18 255 595	12 629 408	12 645 810	195 780 994
Waste management	214 321 804	15 843 211	8 697 664	6 972 004	6 343 840	176 465 085
Waste water management	187 506 702	26 307 158	8 513 493	6 803 807	6 140 088	139 742 156
Water	465 277 562	47 909 224	13 337 103	17 286 712	13 305 924	373 438 599
<b>Total by debt type</b>	<b>1 212 226 860</b>	<b>195 868 578</b>	<b>48 803 855</b>	<b>43 691 931</b>	<b>38 435 662</b>	<b>885 426 834</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 3. Receivables from exchange transactions (continued)

#### Group - 2023

	Not due		Past due			
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Electricity	315 550 464	92 712 110	15 190 409	8 780 491	11 690 262	187 177 192
Waste management	189 677 907	18 066 232	7 983 357	6 388 809	5 582 367	151 657 142
Waste water management	154 649 648	13 597 011	8 093 811	6 535 840	6 413 338	120 009 648
Water	419 017 287	37 394 324	16 063 586	7 237 110	28 743 280	329 578 987
<b>Total by debt type</b>	<b>1 078 895 306</b>	<b>161 769 677</b>	<b>47 331 163</b>	<b>28 942 250</b>	<b>52 429 247</b>	<b>788 422 969</b>

#### Company - 2024

	Not due		Past due			
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Electricity	345 120 792	105 808 985	18 255 595	12 629 408	12 645 810	195 780 994
Waste management	214 321 804	15 843 211	8 697 664	6 972 004	6 343 840	176 465 085
Waste water management	187 506 702	26 307 158	8 513 493	6 803 807	6 140 088	139 742 156
Water	465 277 562	47 909 224	13 337 103	17 286 712	13 305 924	373 438 599
<b>Total by debt type</b>	<b>1 212 226 860</b>	<b>195 868 578</b>	<b>48 803 855</b>	<b>43 691 931</b>	<b>38 435 662</b>	<b>885 426 834</b>

#### Company - 2023

	Not due		Past due			
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Electricity	315 550 464	92 712 110	15 190 409	8 780 491	11 690 262	187 177 192
Waste management	189 677 907	18 066 232	7 983 357	6 388 809	5 582 367	151 657 142
Waste water management	154 649 648	13 597 011	8 093 811	6 535 840	6 413 338	120 009 648
Water	419 017 287	37 394 324	16 063 586	7 237 110	28 743 280	329 578 987
<b>Total by debt type</b>	<b>1 078 895 306</b>	<b>161 769 677</b>	<b>47 331 163</b>	<b>28 942 250</b>	<b>52 429 247</b>	<b>788 422 969</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 3. Receivables from exchange transactions (continued)

#### 3.1.2 Impairment reconciliation of consumer receivables

##### Group

	2024			2023				
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
<b>Consumer receivables from exchange transactions</b>								
Electricity	156 852 767	37 181 953	(39 391 246)	154 643 474	151 745 013	47 585 049	(42 477 296)	156 852 766
Waste management	94 284 458	26 286 267	(15 608 177)	104 962 548	91 214 179	18 316 364	(15 246 085)	94 284 458
Waste water management	79 039 342	29 370 984	(16 598 622)	91 811 704	76 465 505	25 656 122	(23 082 285)	79 039 342
Water	208 283 708	49 258 130	(35 589 625)	221 952 213	201 501 158	64 536 215	(57 753 665)	208 283 708
<b>Total consumer receivables</b>	<b>538 460 275</b>	<b>142 097 334</b>	<b>(107 187 670)</b>	<b>573 369 939</b>	<b>520 925 855</b>	<b>156 093 750</b>	<b>(138 559 331)</b>	<b>538 460 274</b>



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 3. Receivables from exchange transactions (continued)

#### Company

	2024				2023			
	Opening balance	Impairment raised	Debt written off	Closing balance	Opening balance	Impairment raised	Debt written off	Closing balance
<b>Consumer receivables from exchange transactions</b>								
Electricity	156 852 767	37 181 953	(39 391 246)	154 643 474	151 745 013	47 585 049	(42 477 296)	156 852 766
Waste management	94 284 458	26 286 267	(15 608 177)	104 962 548	91 214 179	18 316 364	(15 246 085)	94 284 458
Waste water management	79 039 342	29 370 984	(16 598 622)	91 811 704	76 465 505	25 656 122	(23 082 285)	79 039 342
Water	208 283 708	49 258 130	(35 589 625)	221 952 213	201 501 158	64 536 215	(57 753 665)	208 283 708
<b>Total consumer receivables</b>	<b>538 460 275</b>	<b>142 097 334</b>	<b>(107 187 670)</b>	<b>573 369 939</b>	<b>520 925 855</b>	<b>156 093 750</b>	<b>(138 559 331)</b>	<b>538 460 274</b>

#### 3.1.3 Consumer receivables pledged as security

No consumer debtors are pledged as security

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 3. Receivables from exchange transactions (continued)

#### 3.2 Trade receivables

##### 3.2.1 Ageing of trade receivables

##### Group - 2024

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
Housing selling scheme	193 189	1 127	1 127	1 127	1 127	188 681
Property rental debtors	211 566 247	3 288 422	2 671 361	2 449 565	2 380 771	200 776 128
Other sundry debtors	190 203 605	4 363 283	4 935 633	2 386 355	2 313 819	176 204 515
<b>Total</b>	<b>401 963 041</b>	<b>7 652 832</b>	<b>7 608 121</b>	<b>4 837 047</b>	<b>4 695 717</b>	<b>377 169 324</b>

##### Group - 2023

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
Housing selling scheme	320 830	1 545	1 545	1 545	1 545	314 650
Property rental debtors	172 193 837	32 268 600	1 226 040	1 237 229	1 238 269	136 223 699
Other sundry debtors	254 586 904	13 609 595	4 627 377	2 604 009	2 857 853	230 888 070
<b>Total</b>	<b>427 101 571</b>	<b>45 879 740</b>	<b>5 854 962</b>	<b>3 842 783</b>	<b>4 097 667</b>	<b>367 426 419</b>

##### Company - 2024

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
Housing selling scheme	193 189	1 127	1 127	1 127	1 127	188 681
Property rental debtors	133 949 233	2 431 721	1 861 583	1 696 985	1 659 065	126 299 879
Other sundry debtors	190 203 605	4 363 283	4 935 633	2 386 355	2 313 819	176 204 515
<b>Total</b>	<b>324 346 027</b>	<b>6 796 131</b>	<b>6 798 343</b>	<b>4 084 467</b>	<b>3 974 011</b>	<b>302 693 075</b>

##### Company - 2023

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
Housing selling scheme	320 830	1 545	1 545	1 545	1 545	314 650
Property rental debtors	99 737 348	31 795 069	815 213	815 213	815 213	65 496 640
Other sundry debtors	254 586 904	13 609 595	4 627 377	2 604 009	2 857 853	230 888 070
<b>Total</b>	<b>354 645 082</b>	<b>45 406 209</b>	<b>5 444 135</b>	<b>3 420 767</b>	<b>3 674 611</b>	<b>296 699 360</b>

##### 3.2.2 Trade receivables pledged as security

No Receivable were pledged as security

##### Minimum lease payments receivable

The municipality is a lessor of various buildings, vacant land, hawker stands as well as land where mobile phone masts are erected. The contract terms and escalation rates vary from one contract to another. It has also entered into numerous developer contracts. The municipality lets out these properties to the general public

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>3. Receivables from exchange transactions (continued)</b>				
Within a year	8 407 490	9 354 505	8 407 490	9 354 505
Between 1 and 5 years	34 783 943	28 736 105	34 783 943	28 736 105
After 5 years	732 690 182	656 404 726	732 690 182	656 404 726
	<b>775 881 615</b>	<b>694 495 336</b>	<b>775 881 615</b>	<b>694 495 336</b>
<b>4. Other receivables from exchange transactions</b>				
Deposits	1 107 234	975 474	1 107 234	975 474
Abeyance	4.1 1 853 009	3 173 989	1 853 009	3 173 989
Control, clearing and interface accounts	4.2 1 896 386	2 316 505	1 896 386	2 316 505
Prepayments and advances	4.3 11 727 405	27 282 046	11 727 405	27 282 046
Staff loans	23 109	23 109	-	-
<b>Total</b>	<b>16 607 143</b>	<b>33 771 123</b>	<b>16 584 034</b>	<b>33 748 014</b>
<b>4.1 Reconciliation of Abeyance</b>				
Sundry debtors - auctioneer	3 185 394	3 185 394	3 185 394	3 185 394
Leelyn Parking Management	1 562 511	1 562 511	1 562 511	1 562 511
Interest recoverable from DBSA	17 708	17 708	17 708	17 708
Receivable from SANRAL	1 853 009	3 173 989	1 853 009	3 173 989
Provision for impairment	(4 765 613)	(4 765 613)	(4 765 613)	(4 765 613)
	<b>1 853 009</b>	<b>3 173 989</b>	<b>1 853 009</b>	<b>3 173 989</b>
<b>4.2 Reconciliation of control,clearing and interface accounts</b>				
Accrued Interest	1 783 840	2 306 185	1 783 840	2 306 185
Over/Under Banking	112 546	10 320	112 546	10 320
	<b>1 896 386</b>	<b>2 316 505</b>	<b>1 896 386</b>	<b>2 316 505</b>
<b>4.3 Reconciliation of prepayments and advances</b>				
Subscriptions	11 614 688	12 039 801	11 614 688	12 039 801
Recoveries from Staff	112 717	168 717	112 717	168 717
Fleet procurement	15 073 528	15 073 528	15 073 528	15 073 528
Fleet procurement impairment	(15 073 528)	-	(15 073 528)	-
	<b>11 727 405</b>	<b>27 282 046</b>	<b>11 727 405</b>	<b>27 282 046</b>
<b>5. Receivables from non-exchange transactions</b>				
<b>Consumer receivables</b>				
Property rates	5.1 323 885 790	341 411 725	323 885 790	341 411 725
<b>Other receivables</b>				
Fines	5.1 4 782 515	4 291 040	4 782 515	4 291 040
SARS PAYE	7 549	7 549	-	-
	<b>4 790 064</b>	<b>4 298 589</b>	<b>4 782 515</b>	<b>4 291 040</b>
<b>Total receivables</b>	<b>328 675 854</b>	<b>345 710 314</b>	<b>328 668 305</b>	<b>345 702 765</b>
Current portion of non exchange receivables	328 675 854	345 710 314	-	-

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 5. Receivables from non-exchange transactions (continued)

#### 5.1 Receivables from non-exchange transactions

##### Group

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables</b>						
Property rates	635 657 331	(311 771 541)	<b>323 885 790</b>	567 723 825	(226 312 100)	<b>341 411 725</b>
<b>Other receivables</b>						
Fines	76 849 648	(72 067 133)	<b>4 782 515</b>	171 121 561	(166 830 521)	<b>4 291 040</b>
SARS PAYE	7 549	-	<b>7 549</b>	7 549	-	<b>7 549</b>
	<b>76 857 197</b>	<b>(72 067 133)</b>	<b>4 790 064</b>	<b>171 129 110</b>	<b>(166 830 521)</b>	<b>4 298 589</b>
<b>Total</b>	<b>712 514 528</b>	<b>(383 838 674)</b>	<b>328 675 854</b>	<b>738 852 935</b>	<b>(393 142 621)</b>	<b>345 710 314</b>

##### Company

	2024			2023		
	Gross	Impairment	Total	Gross	Impairment	Total
<b>Consumer receivables</b>						
Property rates	635 657 331	(311 771 541)	<b>323 885 790</b>	567 723 825	(226 312 100)	<b>341 411 725</b>
<b>Other receivables</b>						
Fines	76 849 648	(72 067 133)	<b>4 782 515</b>	171 121 561	(166 830 521)	<b>4 291 040</b>
<b>Total</b>	<b>712 506 979</b>	<b>(383 838 674)</b>	<b>328 668 305</b>	<b>738 845 386</b>	<b>(393 142 621)</b>	<b>345 702 765</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 5. Receivables from non-exchange transactions (continued)

#### 5.1.1 Ageing of receivables from non-exchange transactions

##### Group - 2024

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables</b>						
Property rates	<b>635 657 331</b>	49 062 808	33 241 866	19 063 691	15 382 370	518 906 596

##### Group - 2023

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables</b>						
Property rates	<b>567 723 825</b>	48 954 000	23 184 548	21 496 031	21 019 346	453 069 900

##### Company - 2024

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables</b>						
Property rates	<b>635 657 331</b>	49 062 808	33 241 866	19 063 691	15 382 370	518 906 596

##### Company - 2023

	Not due			Past due		
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables</b>						
Property rates	<b>567 723 825</b>	48 954 000	23 184 548	21 496 031	21 019 346	453 069 900

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 5. Receivables from non-exchange transactions (continued)

#### 5.1.2 Impairment reconciliation of receivables from non-exchange transactions

##### Group

	2024				2023			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
<b>Consumer receivables</b>								
Property rates	(226 312 100)	(125 174 535)	39 715 094	<b>(311 771 541)</b>	(216 920 785)	(29 017 233)	19 625 918	<b>(226 312 100)</b>
<b>Other receivables</b>								
Fines	(166 830 521)	(28 371 425)	123 134 813	<b>(72 067 133)</b>	(135 889 894)	(30 940 627)	-	<b>(166 830 521)</b>
R/D Cheques	-	-	-	-	(1 449 164)	1 449 164	-	-
	<b>(166 830 521)</b>	<b>(28 371 425)</b>	<b>123 134 813</b>	<b>(72 067 133)</b>	<b>(137 339 058)</b>	<b>(29 491 463)</b>	-	<b>(166 830 521)</b>
<b>Total</b>	<b>(393 142 621)</b>	<b>(153 545 960)</b>	<b>162 849 907</b>	<b>(383 838 674)</b>	<b>(354 259 843)</b>	<b>(58 508 696)</b>	<b>19 625 918</b>	<b>(393 142 621)</b>

##### Company

	2024				2023			
	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance	Opening balance	Impairment raised	Impairment reversed / debt written off	Closing balance
<b>Consumer receivables</b>								
Property rates	(226 312 100)	(125 174 535)	39 715 094	<b>(311 771 541)</b>	(216 920 785)	(29 017 233)	19 625 918	<b>(226 312 100)</b>
<b>Other receivables</b>								
Fines	(166 830 521)	(28 371 425)	123 134 813	<b>(72 067 133)</b>	(135 889 894)	(30 940 627)	-	<b>(166 830 521)</b>
R/D Cheques	-	-	-	-	(1 449 164)	1 449 164	-	-
	<b>(166 830 521)</b>	<b>(28 371 425)</b>	<b>123 134 813</b>	<b>(72 067 133)</b>	<b>(137 339 058)</b>	<b>(29 491 463)</b>	-	<b>(166 830 521)</b>
<b>Total</b>	<b>(393 142 621)</b>	<b>(153 545 960)</b>	<b>162 849 907</b>	<b>(383 838 674)</b>	<b>(354 259 843)</b>	<b>(58 508 696)</b>	<b>19 625 918</b>	<b>(393 142 621)</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 5. Receivables from non-exchange transactions (continued)

#### 5.1.3 Other receivables from non-exchange transactions pledged as security

No Other receivables from non-exchange transactions are pledged as security

### 6. Inventories

Materials and supplies		106 949 508	88 278 259	106 949 508	88 278 259
Water	6.1	596 784	454 943	596 784	454 943
Land		5 262 120	5 262 120	5 262 120	5 262 120
<b>Total Inventories</b>		<b>112 808 412</b>	<b>93 995 322</b>	<b>112 808 412</b>	<b>93 995 322</b>

The amount of write-down of inventories recognised as an expense is R 9 278 544 (2023: R 792 800).

#### Change in the estimated cost to sell of Materials and supplies:

During the year, the estimated cost to sell had been re-estimated at the end of the current period to reflect the actual cost to sell in line with the commission payable to the appointed municipal auctioneers. The effect on the inventory write-down are as follows:

Impact on Inventory balance at year end is an increased value of R1 308 256 and the corresponding decrease in the inventory write-down.

#### 6.1 Water

Opening balance		454 943	404 785	454 943	404 785
System input volume		281 691 685	241 167 026	281 691 685	241 167 026
Authorised consumption		(213 043 546)	(153 772 783)	(213 043 546)	(153 772 783)
Water losses	40.2	(68 506 297)	(87 344 085)	(68 506 297)	(87 344 085)
<b>Closing balance</b>		<b>596 785</b>	<b>454 943</b>	<b>596 785</b>	<b>454 943</b>

#### 6.2 Inventory pledged as security

None of the inventories are pledged as security.

### 7. VAT receivable/(payable)

The municipality is registered for VAT on the payment basis.

VAT receivable/(payable)	14 013 278	47 824 737	14 013 278	47 824 737
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The VAT output accrual and VAT input accrual balances are as a result of transactions being accounted for on the accrual basis. These are amounts that will become due to (Output VAT) or from (Input VAT) SARS upon the actual realisation or payment of cash from these transactions.

VAT output accrual	119 142 965	125 382 657	119 142 965	125 382 657
VAT input accrual	106 176 476	92 221 762	106 176 476	92 221 762

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>8. Investment property</b>				
<b>8.1 Reconciliation of carrying value</b>				
<b>Opening carrying value</b>				
Opening carrying value	997 033 036	953 878 922	997 033 036	953 878 922
Fair Value Adjustments	27 931 250	49 054 112	27 931 250	49 054 112
<b>Carrying value of disposals / transfers</b>				
Carrying value at the date of disposal	-	(5 899 998)	-	(5 899 998)
<b>Closing carrying value</b>	<b>1 024 964 286</b>	<b>997 033 036</b>	<b>1 024 964 286</b>	<b>997 033 036</b>
Fair value	1 024 964 286	997 033 036	1 024 964 286	997 033 036

A register containing the information required by Section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

### 8.2 Investment property contractual commitments

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement

### 8.3 Restrictions on investment property

There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal.

### 8.4 Investment property pledged as security

No investment property assets are pledged as security.

### Details of valuation

The values were determined by an external professional valuer registered in terms of the Property Valuers Act No 47 of 2000, Registration number 4761. The value of investment property comprising of land and building was determined by using a combination of valuation approaches. Each of these approaches assessed the relevance of each specific property based on their nature, use and comparable market transactions. The preferred valuation methodology applied to vacant land was that of comparable market related sales based on use, location and extent. In cases where no reasonable comparable sales were available the discounted cash flow methodology was used based on market related rentals for similar properties. Investment properties were fair valued by Rev ME Baloyi, a registered professional associated valuer with SACPUP, registration number: 6263/7.

### Amounts recognised is surplus or deficit

Rental revenue from Investment Property	20 779 104	15 092 407	8 629 927	3 606 685
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### Property interests

There are no property interests held under operating leases.

### Operating expenses

The municipality does not incur any operating expenses (including repairs and maintenance) on investment properties.



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 9. Property, plant and equipment

#### 9.1 Summary

Group	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	572 260 872	-	572 260 872	572 260 872	-	572 260 872
Movable assets and other	427 492 051	(252 671 953)	174 820 098	411 178 902	(247 893 763)	163 285 139
Infrastructure	28 335 912 016	(19 048 298 039)	9 287 613 977	27 581 817 888	(18 123 038 719)	9 458 779 169
Buildings	411 126 151	(88 090 781)	323 035 370	411 126 151	(71 376 570)	339 749 581
Concession assets	97 261 065	(45 921 651)	51 339 414	97 261 065	(32 703 640)	64 557 425
Community Assets	5 642 406 993	(3 463 510 533)	2 178 896 460	5 608 529 287	(3 275 082 832)	2 333 446 455
Leased assets	37 418 614	(14 888 737)	22 529 877	43 484 964	(18 042 847)	25 442 117
Construction Work-in-progress	2 397 068 826	-	2 397 068 826	2 301 507 448	-	2 301 507 448
<b>Total</b>	<b>37 920 946 588</b>	<b>(22 913 381 694)</b>	<b>15 007 564 894</b>	<b>37 027 166 577</b>	<b>(21 768 138 371)</b>	<b>15 259 028 206</b>

Company	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	462 481 622	-	462 481 622	462 481 622	-	462 481 622
Movable assets and other	426 754 711	(252 060 445)	174 694 266	410 609 195	(247 432 221)	163 176 974
Infrastructure	28 335 912 016	(19 048 298 039)	9 287 613 977	27 581 817 888	(18 123 038 719)	9 458 779 169
Roads Infrastructure	97 261 065	(45 921 651)	51 339 414	97 261 065	(32 703 640)	64 557 425
Community Assets	5 642 406 993	(3 463 510 533)	2 178 896 460	5 608 529 287	(3 275 082 832)	2 333 446 455
Leased Assets	37 418 614	(14 888 737)	22 529 877	43 484 964	(18 042 847)	25 442 117
Construction Work-in-progress	2 393 994 526	-	2 393 994 526	2 301 507 448	-	2 301 507 448
<b>Total</b>	<b>37 396 229 547</b>	<b>(22 824 679 405)</b>	<b>14 571 550 142</b>	<b>36 505 691 469</b>	<b>(21 696 300 259)</b>	<b>14 809 391 210</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 9. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	572 260 872	-	-	-	-	-	572 260 872
Movable assets and other	163 285 139	34 635 676	(1 184 111)	12 583 576	(33 077 022)	(1 423 160)	174 820 098
Infrastructure	9 458 779 169	72 494 818	(2 797 088)	700 163 343	(908 280 708)	(32 745 557)	9 287 613 977
Buildings	339 749 581	-	-	-	(8 245 052)	(8 469 159)	323 035 370
Concession assets	64 557 425	-	-	-	(9 516 208)	(3 701 803)	51 339 414
Community Assets	2 333 446 455	11 196 474	(270 188)	24 849 698	(183 751 474)	(6 574 505)	2 178 896 460
Leased assets	25 442 117	19 519 565	(277 094)	(12 583 576)	(9 571 135)	-	22 529 877
Construction Work-in-progress	2 301 507 448	820 574 419	-	(725 013 041)	-	-	2 397 068 826
	<b>15 259 028 206</b>	<b>958 420 952</b>	<b>(4 528 481)</b>		<b>-(1 152 441 599)</b>	<b>(52 914 184)</b>	<b>15 007 564 894</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 9. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	552 194 010	24 787	-	-	20 042 075	-	-	572 260 872
Movable assets and other	178 094 318	25 083 160	(103 670)	-	-	(33 298 638)	(6 490 031)	163 285 139
Infrastructure	7 937 443 827	48 175 176	(7 015 475)	290 422 428	1 742 300 956	(530 745 588)	(21 802 155)	9 458 779 169
Buildings	105 226 831	-	-	231 463 407	9 174 802	(6 115 459)	-	339 749 581
Concession assets	74 047 633	-	-	-	-	(9 490 208)	-	64 557 425
Community Assets	1 994 979 572	3 166 405	(87 216)	1 405 555	474 747 686	(138 482 059)	(2 283 488)	2 333 446 455
Leased assets	21 320 460	12 960 338	-	-	-	(8 838 681)	-	25 442 117
Construction Work-in-progress	2 049 256 765	544 647 793	-	(291 827 983)	-	-	(569 127)	2 301 507 448
	<b>12 912 563 416</b>	<b>634 057 659</b>	<b>(7 206 361)</b>	<b>231 463 407</b>	<b>2 246 265 519</b>	<b>(726 970 633)</b>	<b>(31 144 801)</b>	<b>15 259 028 206</b>

#### Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	462 481 622	-	-	-	-	-	462 481 622
Movable assets and other	163 176 974	34 573 397	(1 172 497)	12 583 576	(33 044 024)	(1 423 160)	174 694 266
Infrastructure	9 458 779 169	72 494 834	(2 797 088)	700 163 343	(908 280 724)	(32 745 557)	9 287 613 977
Concession assets	64 557 425	-	-	-	(9 516 208)	(3 701 803)	51 339 414
Community Assets	2 333 446 455	11 196 474	(270 188)	24 849 698	(183 751 474)	(6 574 505)	2 178 896 460
Leased assets	25 442 117	19 519 565	(277 094)	(12 583 576)	(9 571 135)	-	22 529 877
Construction Work-in-progress	2 301 507 448	817 500 119	-	(725 013 041)	-	-	2 393 994 526
	<b>14 809 391 210</b>	<b>955 284 389</b>	<b>(4 516 867)</b>		<b>-(1 144 163 565)</b>	<b>(44 445 025)</b>	<b>14 571 550 142</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 9. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Company - 2023

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Total
Land	472 710 825	24 787	-	-	(10 253 990)	-	-	462 481 622
Movable assets and other	177 955 320	25 083 160	(101 720)	-	-	(33 269 755)	(6 490 031)	163 176 974
Infrastructure	7 937 443 827	48 175 176	(7 015 475)	290 422 428	1 742 300 956	(530 745 588)	(21 802 155)	9 458 779 169
Concession assets	74 047 633	-	-	-	-	(9 490 208)	-	64 557 425
Community Assets	1 994 979 572	3 166 405	(87 216)	1 405 555	474 747 686	(138 482 059)	(2 283 488)	2 333 446 455
Leased assets	21 320 460	12 960 339	-	-	-	(8 838 682)	-	25 442 117
Construction Work-in-progress	2 049 256 765	544 647 793	-	(291 827 983)	-	-	(569 127)	2 301 507 448
	<b>12 727 714 402</b>	<b>634 057 660</b>	<b>(7 204 411)</b>		<b>- 2 206 794 652</b>	<b>(720 826 292)</b>	<b>(31 144 801)</b>	<b>14 809 391 210</b>

A register containing the information required by Section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

### 9.2 Property, plant and equipment contractual commitments

The contractual commitment for the acquisition of property, plant and equipment is as follows:

Infrastructure	1 065 652 989	1 023 105 879	1 065 652 989	1 023 105 879
Buildings	3 921 353	-	-	-
	<b>1 069 574 342</b>	<b>1 023 105 879</b>	<b>1 065 652 989</b>	<b>1 023 105 879</b>

### 9.3 Property, plant and equipment pledged as security

No assets have been pledged as security.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 9. Property, plant and equipment (continued)

#### 9.4 Maintenance of property, plant and equipment

##### 9.4.1 Maintenance of property, plant and equipment by nature and type of expenditure

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

Contracted services	435 976 706	433 518 232	435 476 959	433 406 095
Employee related costs	251 183 374	252 770 842	251 183 374	252 770 842
Inventory consumed	41 256 784	46 456 488	41 256 784	46 456 488
Operational costs	15 505 293	10 493 922	15 505 293	10 493 922
	<b>743 922 157</b>	<b>743 239 484</b>	<b>743 422 410</b>	<b>743 127 347</b>

#### Change in estimated remaining useful lives

##### Property, plant and equipment

Depreciable assets - During the year, the useful life of property, plant and equipment had been re-estimated at the beginning of the current period to reflect the actual pattern of service potential derived from the assets. The effect on the current and future periods will be a decrease in the depreciation charge of R143 578 552 in the current period and an equal increase in the depreciation charge of R143 578 552 over the remaining period/s.

### 9.5 Other information

#### Borrowing costs capitalised

There are no borrowing costs that have been capitalised to the property, plant and equipment value.

#### Assets subject to finance lease (Net carrying value)

Leased Assets	22 529 877	25 442 117	22 529 877	25 442 117
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#### Revaluations

The effective date of the revaluations was Friday, 30 June 2023. Revaluations were performed by MMB Consulting. MMB Consulting and its directors are not connected to the municipality. (The valuations are performed by Madie Bapela CA(SA)(RA), Madishe Shokoane CA(SA) and Max Pawandiwa (Pr Eng-Civil)).

Land and infrastructure are re-valued independently every three years (four years for the municipal entity).

The valuation for Public Service Infrastructure were valued through a calculated nominal value.

The valuation for land is based on the market rate per square metre, taking into account the extent of the property.

All assumptions were based on current market conditions at the time of the valuation.

#### Delayed and halted projects

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>9. Property, plant and equipment (continued)</b>				
<b>Carrying value of delayed and halted projects</b>				
Terminated contracts due to poor performance by contractors	540 754 193	472 273 215	540 754 193	472 273 215
Delay in servitude negotiation and payment agreements	10 076 698	6 646 633	10 076 698	6 646 633
Variation orders	539 874 083	480 397 025	539 874 083	480 397 025
Lack of funding	6 796 945	297 622 342	6 796 945	297 622 342
Lack of capacity by Eskom	4 855 314	9 075 445	4 855 314	9 075 445
	<b>1 102 357 233</b>	<b>1 266 014 660</b>	<b>1 102 357 233</b>	<b>1 266 014 660</b>

Within the above carrying value of delayed and halted projects is a carrying value of R158 333 817 661 (Prior year: R409 600 159) relating to halted projects.

No impairment loss was recognised in the current reporting period (2023: R569 127) on the above capital projects. Condition assessment were performed for consideration of impairment in all the delayed and halted projects.

### Work in progress

#### Group

#### Reconciliation of work-in-progress 2024

	Included within infrastructure assets	Included within community assets	Included within other PPE	Total
Opening balance	1 794 711 762	506 795 687	-	2 301 507 449
Additions/capital expenditure	718 287 620	70 800 354	31 685 251	820 773 225
Transferred to completed items	(694 629 107)	(12 900 065)	(17 483 868)	(725 013 040)
Expensed	-	-	(198 802)	(198 802)
	<b>1 818 370 275</b>	<b>564 695 976</b>	<b>14 002 581</b>	<b>2 397 068 832</b>

#### Reconciliation of work-in-progress 2023

	Included within infrastructure assets	Included within community assets	Included within other PPE	Total
Restated opening balance	1 549 461 506	499 795 434	219 954 123	2 269 211 063
Additions/capital expenditure	554 560 718	8 863 026	11 509 284	574 933 028
Transferred to completed items	(290 422 427)	(1 405 556)	(231 463 407)	(523 291 390)
Expensed	(18 776 125)	-	-	(18 776 125)
Impairment loss	(111 910)	(457 217)	-	(569 127)
	<b>1 794 711 762</b>	<b>506 795 687</b>	<b>-</b>	<b>2 301 507 449</b>

#### Company

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 9. Property, plant and equipment (continued)

Reconciliation of work-in-progress 2024	Included within infrastructure assets	Included within community assets	Included within other PPE	Total
Opening balance	1 794 711 762	506 795 687	-	2 301 507 449
Additions/capital expenditure	718 287 620	70 800 354	28 610 951	817 698 925
Transferred to completed items	(694 629 107)	(12 900 065)	(17 483 868)	(725 013 040)
Expensed	-	-	(198 802)	(198 802)
	<b>1 818 370 275</b>	<b>564 695 976</b>	<b>10 928 281</b>	<b>2 393 994 532</b>

Reconciliation of work-in-progress 2023	Included within infrastructure assets	Included within community assets	Included within other PPE	Total
Restated opening balance	1 549 461 506	499 795 434	-	2 049 256 940
Additions/capital expenditure	554 560 718	8 863 026	-	563 423 744
Transferred to completed items	(290 422 427)	(1 405 556)	-	(291 827 983)
Expenses	(18 776 125)	-	-	(18 776 125)
Impairment loss	(111 910)	(457 217)	-	(569 127)
	<b>1 794 711 762</b>	<b>506 795 687</b>	<b>-</b>	<b>2 301 507 449</b>

### Concession assets

The overall objective is to provide public transport services that is reliable and safe at an affordable price.

The municipality entered into a negotiated 3 year interim agreement with Esilux Pty Ltd (Operator) to provide the said service on behalf of the municipality at a negotiated rate. The purpose of the arrangement is to capacitate both the operator and the municipality in running public transport services in terms of the NLTA (National Land Transport Act) as an added service of the municipality. The interim agreement will be coming to an end at the end of August 2024. The municipality is currently engaged in discussion to finalise the 12 year negotiated contract in terms of the NLTA.

The operator has the full rights to use the busses for the duration of the contract to provide public transport services. The service concession asset will be utilised by the operator up to the end of the current contract. In addition it is expected that the operator will continue to utilise the asset for the duration of an additional two years post expiry of the new contract that will be entered into.

The municipality reserves the right to terminate the service arrangement in the event of the operator not adhering to the service standard.

Service concession assets comprises of 26 busses (five 9m busses and twenty one 12m busses) as at 30 June 2024.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 10. Biological assets

#### 10.1 Reconciliation of carrying value

##### Group

	2024		2023	
	Biological assets measured at fair value	Total	Biological assets measured at fair value	Total
Opening carrying value	14 905 421	14 905 421	14 872 363	14 872 363
<b>Fair value less costs to sell adjustments</b>				
Consumable assets	716 582	716 582	33 058	33 058
<b>Closing carrying value</b>	<b>15 622 003</b>	<b>15 622 003</b>	<b>14 905 421</b>	<b>14 905 421</b>

##### Company

	2024		2023	
	Biological assets measured at fair value	Total	Biological assets measured at fair value	Total
Opening carrying value	14 905 421	14 905 421	14 872 363	14 872 363
<b>Fair value less costs to sell adjustments</b>				
Timber trees	716 582	716 582	33 058	33 058
<b>Closing carrying value</b>	<b>15 622 003</b>	<b>15 622 003</b>	<b>14 905 421</b>	<b>14 905 421</b>

#### 10.2 Biological assets contractual commitments

There is no commitment for the development or acquisition of biological assets.

#### 10.3 Restrictions on biological assets

There are no biological assets whose title is restricted and the municipality does not have restrictions regarding the sale of the biological assets.

#### 10.4 Financial risk management strategies

There are no financial management risks related to agricultural activity in the municipality.

#### Non-financial information

All biological assets relate to timber.

All biological assets held by the municipality are bearer biological assets. These assets are used for more than one financial year.

The municipality does not have consumable biological assets.

The municipality does not have any biological assets held for sale or held for distribution at no charge or for nominal value.

The municipality holds biological assets at the Kromdraai farm which are held for more than one financial year.



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>10. Biological assets (continued)</b>				
The fair value of the timber is determined with reference to recent market prices for the biological assets in the market.				
The biological assets are matured and have reached harvest stage.				
There was no harvest of biological assets during the financial year.				
<b>11. Heritage assets</b>				
<b>11.1 Reconciliation of carrying value</b>				
<b>Group - 2024</b>				
	Heritage sites	Memorials and statues	Artworks	Total
<b>Opening carrying value as at 01 July 2023</b>				
Cost	144 000	3 858 647	17 897 171	21 899 818
Accumulated impairment losses	-	-	(32 250)	(32 250)
	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 921</b>	<b>21 867 568</b>
Cost	144 000	3 858 647	17 897 171	21 899 818
Accumulated impairment losses	-	-	(32 250)	(32 250)
	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 921</b>	<b>21 867 568</b>
<b>Group - 2023</b>				
	Heritage sites	Monuments and parks	Other assets	Total
<b>Opening carrying value as at 01 July 2022</b>				
Cost	144 000	3 858 647	17 897 172	21 899 819
Accumulated impairment losses	-	-	(32 250)	(32 250)
	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 922</b>	<b>21 867 569</b>
Cost	144 000	3 858 647	17 897 172	21 899 819
Accumulated impairment losses	-	-	(32 250)	(32 250)
	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 922</b>	<b>21 867 569</b>
<b>Company - 2024</b>				
	Heritage sites	Memorials and statues	Artworks	Total
<b>Opening carrying value as at 01 July 2023</b>				
Cost	144 000	3 858 647	17 897 171	21 899 818
Accumulated impairment losses	-	-	(32 250)	(32 250)
	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 921</b>	<b>21 867 568</b>
Cost	144 000	3 858 647	17 897 171	21 899 818
Accumulated impairment losses	-	-	(32 250)	(32 250)
<b>Closing carrying value as at 30 June 2024</b>	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 921</b>	<b>21 867 568</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 11. Heritage assets (continued)

#### Company - 2023

	Heritage sites	Memorials and statues	Artworks	Total
<b>Opening carrying value as at 01 July 2022</b>				
Cost	144 000	3 858 647	17 897 172	21 899 819
Accumulated impairment losses	-	-	(32 250)	(32 250)
	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 922</b>	<b>21 867 569</b>
<b>Closing carrying value as at 30 June 2023</b>				
Cost	144 000	3 858 647	17 897 172	21 899 819
Accumulated impairment losses	-	-	(32 250)	(32 250)
	<b>144 000</b>	<b>3 858 647</b>	<b>17 864 922</b>	<b>21 867 569</b>

#### 11.2 Restrictions on heritage assets

There are no restrictions on any class of heritage assets owned by the municipality.

#### 11.3 Heritage assets pledged as security

No heritage assets are pledged as security.

#### Age and/or condition of heritage assets

The majority of the heritage assets have a condition grading of 3 which translates to fair as per the municipality's generic condition assessment methodology. Three assets with the condition grading of 1 which translate to very poor were impaired.

#### Heritage assets borrowed from other entities

There are 16 heritage assets that are borrowed from Ditsong Museums.

#### Heritage assets on loan to other entities

No heritage assets are loaned to other entities.

#### Contractual commitments for the acquisition, maintenance and restoration of heritage assets

No amount included in the commitments amount as disclosed in the respective note relate to heritage assets.

#### Compensation from third parties

No compensation from third parties were received as no items of heritage assets were impaired, lost or given up.

#### Heritage assets used for more than one purpose

The assets are only used for heritage use and no other purpose.

#### Fair value of heritage assets (measured at cost less accumulated impairment losses)

As the fair values are not materially different from the cost of the heritage assets together with the fact that there are no fluctuation in the carrying values of both years, the fair values are not separately disclosed.

#### Heritage assets which fair values cannot be reliably measured

The following categories of heritage assets could not be measured reliably and are kept in separate lists other than the heritage assets register:

- One asset: Artist could not be traced.
- Assets received as donation from Wits Art Museum.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 11. Heritage assets (continued)

- Assets brought by local artist for exhibition purposes.
- Art work produced by Bakone Malapa labourers including cultural demonstrative items.

#### Expenditure incurred to repair and maintain heritage assets

There were no expenditure incurred relating to repairs and maintenance of heritage assets during the year.

#### Heritage assets under construction

There are no heritage assets currently under construction.

#### Held for disposal

There are no heritage assets currently held for disposal.

### 12. Intangible assets

#### 12.1 Reconciliation of carrying value

##### Group - 2024

		Computer software	Service, operating and land rights	Total
<b>Opening carrying value as at 01 July 2023</b>				
Cost		58 743 820	1 304 768	60 048 588
Accumulated depreciation and impairment		(24 930 293)	-	(24 930 293)
		<b>33 813 527</b>	<b>1 304 768</b>	<b>35 118 295</b>
Additions from transfer of functions / mergers		3 920 383	-	3 920 383
Amortisation	38	(2 556 545)	-	(2 556 545)
		<b>1 363 838</b>	<b>-</b>	<b>1 363 838</b>
<b>Carrying value of disposals / transfers</b>				
Cost		(565 860)	-	(565 860)
Accumulated depreciation and impairment		565 860	-	565 860
		<b>-</b>	<b>-</b>	<b>-</b>
Impairment loss / reversal of impairment	38	(907 702)	-	(907 702)
<b>Closing carrying value as at 30 June 2024</b>		<b>34 269 663</b>	<b>1 304 768</b>	<b>35 574 431</b>
Cost		62 098 343	1 304 768	63 403 111
Accumulated amortisation and impairment		(27 828 680)	-	(27 828 680)
		<b>34 269 663</b>	<b>1 304 768</b>	<b>35 574 431</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>12. Intangible assets (continued)</b>				
<b>Group - 2023</b>				
		Computer software	Service, operating and land rights	Total
<b>Opening carrying value as at 01 July 2022</b>				
Cost		58 649 372	1 304 768	59 954 140
Accumulated depreciation and impairment		(21 342 079)	-	(21 342 079)
		<b>37 307 293</b>	<b>1 304 768</b>	<b>38 612 061</b>
Additions from acquisitions		94 448	-	94 448
Amortisation	38	(3 588 214)	-	(3 588 214)
		<b>(3 493 766)</b>	<b>-</b>	<b>(3 493 766)</b>
<b>Closing carrying value as at</b>		<b>33 813 527</b>	<b>1 304 768</b>	<b>35 118 295</b>
Cost		58 743 820	1 304 768	60 048 588
Accumulated amortisation and impairment		(24 930 293)	-	(24 930 293)
		<b>33 813 527</b>	<b>1 304 768</b>	<b>35 118 295</b>
<b>Company - 2024</b>				
		Computer software	Service, operating and land rights	Total
<b>Opening carrying value as at 01 July 2023</b>				
Cost		58 660 144	1 304 768	59 964 912
Accumulated amortisation and impairment		(24 871 336)	-	(24 871 336)
		<b>33 788 808</b>	<b>1 304 768</b>	<b>35 093 576</b>
Additions from transfer of functions / mergers		3 920 383	-	3 920 383
Amortisation	38	(2 549 448)	-	(2 549 448)
		<b>1 370 935</b>	<b>-</b>	<b>1 370 935</b>
<b>Carrying value of disposals / transfers</b>				
Cost		(565 860)	-	(565 860)
Accumulated depreciation and impairment		565 860	-	565 860
		<b>-</b>	<b>-</b>	<b>-</b>
Impairment loss / reversal of impairment	38	(907 702)	-	(907 702)
<b>Closing carrying value as at 30 June 2024</b>		<b>34 252 041</b>	<b>1 304 768</b>	<b>35 556 809</b>
Cost		62 014 667	1 304 768	63 319 435
Accumulated amortisation and impairment		(27 762 626)	-	(27 762 626)
		<b>34 252 041</b>	<b>1 304 768</b>	<b>35 556 809</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>12. Intangible assets (continued)</b>				
<b>Company - 2023</b>				
		Computer software	Service, operating and land rights	Total
<b>Opening carrying value as at 01 July 2022</b>				
Cost		58 565 696	1 304 768	59 870 464
Accumulated amortisation and impairment		(21 291 554)	-	(21 291 554)
		<b>37 274 142</b>	<b>1 304 768</b>	<b>38 578 910</b>
Additions from acquisitions		94 448	-	94 448
Amortisation	38	(3 579 782)	-	(3 579 782)
		<b>(3 485 334)</b>	<b>-</b>	<b>(3 485 334)</b>
<b>Closing carrying value as at</b>		<b>33 788 808</b>	<b>1 304 768</b>	<b>35 093 576</b>
Cost		58 660 144	1 304 768	59 964 912
Accumulated amortisation and impairment		(24 871 336)	-	(24 871 336)
		<b>33 788 808</b>	<b>1 304 768</b>	<b>35 093 576</b>

There are no intangible assets work in progress that are halted, delayed or taking a significantly long time to be developed in the current financial year.

### 12.1.1 Intangible assets with indefinite useful lives

The following intangible assets have been assessed to have indefinite useful lives:

Polokwane Municipality has servitudes as part of their intangible assets as contained within their records. These servitudes are assessed as having an indefinite useful life. The reason supporting this assessment is as follows:

The right of way/servitude merely exists because the asset exists and the need of service exists. Therefore, the servitude will continue to exist until such time as the need for the service (addressed through the associated infrastructure asset itself) no longer exists. In fact, the ability to operate and maintain this asset is dependent on the existence of this right, this need is confirmed through the inclusion of section 101 of the Municipal Systems Act which governs municipal rights to access premises.

Service, operating and land rights - Carrying amount: R1 304 768

These are rights that are acquired under a once off transaction and that will be enforceable in the foreseeable future without requiring any additional payments or renewals.

Computer Software - Carrying amount: R25 364 713

These are software acquired by the municipality, which can be used indefinitely until the municipality does not need them, without requiring additional fees. The period over which the municipality can use the software is not linked to the length of a contract with the service provider.

### 12.2 Intangible assets contractual commitments

There is no contractual commitment for the acquisition, development or disposal of intangible assets.

### 12.3 Restrictions on intangible assets

There are no title restrictions for any of the municipal intangible assets.

### 12.4 Intangible assets pledged as security

No intangible assets are pledged as security.

### 12.5 Impairment

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 12. Intangible assets (continued)

An impairment loss of R907 702 (2023: Rnil) was incurred.

#### 12.6 Research and development expenditure

There was no expenditure incurred for the research and development of intangible assets during the current financial year.

#### 12.7 Review of useful lives

In the current year, useful lives were reviewed for intangible assets that are nearing the end of their useful lives. The remaining useful lives were allocated based on the users intention to continue with the use of the assets. The impact is immaterial.

### 13. Investment in subsidiary

#### 13.1 Investment in associate

Name of associate	Principal activities of associate	Interest held 2024	Interest held 2023	Fair value of Investment* 2024	Fair value of Investment* 2023
Polokwane Housing Association	Provision of low cost rental housing	100.00 %	100.00 %	1 000	1 000

##### 13.1.1 Reconciliation of carrying value

Opening carrying value	-	-	1 000	1 000
New investments	-	-	-	-
Disposals	-	-	-	-
<b>Closing carrying value</b>	<b>-</b>	<b>-</b>	<b>1 000</b>	<b>1 000</b>

### 14. Living resources

#### 14.1 Reconciliation of carrying value

##### Group

	2024		2023	
	Game	Total	Game	Total
<b>Opening carrying value at 01 July 2023</b>				
Carrying value at revalued amount	9 368 462	9 368 462	5 912 645	5 912 645
Revaluation adjustments	-	-	5 709 493	5 709 493
Disposals	-	-	(2 659 877)	(2 659 877)
Increase/(decrease)	2 238 232	2 238 232	406 201	406 201
	<b>2 238 232</b>	<b>2 238 232</b>	<b>3 455 817</b>	<b>3 455 817</b>
<b>Closing carrying value as at 30 June 2024</b>	<b>11 606 694</b>	<b>11 606 694</b>	<b>9 368 462</b>	<b>9 368 462</b>
Revalued amount	11 606 694	11 606 694	9 368 462	9 368 462

##### Company

	2024		2023	
	Game	Total	Game	Total
<b>Opening carrying value at 01 July 2023</b>				
Carrying value at revalued amount	9 368 462	9 368 462	5 912 645	5 912 645

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>14. Living resources (continued)</b>				
Revaluation adjustments	-	-	5 709 493	5 709 493
Disposals	-	-	(2 659 877)	(2 659 877)
Increase/(decrease)	2 238 232	2 238 232	406 201	406 201
	<b>2 238 232</b>	<b>2 238 232</b>	<b>3 455 817</b>	<b>3 455 817</b>
<b>Closing carrying value as at 30 June 2024</b>	<b>11 606 694</b>	<b>11 606 694</b>	<b>9 368 462</b>	<b>9 368 462</b>
Revalued amount	11 606 694	11 606 694	9 368 462	9 368 462

The municipality has 901 matured animals and 17 immature animals at the end of the reporting period (2023: 851) which are managed and protected in terms of the National Environment Management Act as well as the Protected Area Act.

### 14.2 Living resources that are borrowed from or on loan to other entities

There are no living resources which are borrowed from or loaned to other entities.

### 14.3 Restrictions on living resources

There are no restrictions with regards to the municipality's ability to sell the animals. Animals are traded during hunting season when the carrying capacity of the game reserve is exceeded, while protecting endangered species.

### 14.4 Living resources pledged as security

No living resources are pledged as security.

### 14.5 Living resources contractual commitments

There is no contractual commitment for acquisition, development or disposal of living and non living resources.

### 14.6 Compensation from third parties

There was no compensation for impairment, losses and resources given up for the financial year.

### 14.7 Revaluations

Living resources are revalued every third financial year, with the latest revaluation done in the 2022-23 financial year. The municipality has previously experienced challenges relating to measurement of the fair value of the living resources, in particular those species which has a low market activity.

The impact of adopting the Standard of GRAP 110 for living and non living resources is immaterial. The impact of the change is the amount reflected in the note above.

## 15. Consumer deposits

Electricity	43 540 811	45 154 411	43 540 811	45 154 411
Rental properties	11 509 844	11 572 183	9 500 747	9 778 334
Water	12 428 351	11 861 405	12 428 351	11 861 405
<b>Total</b>	<b>67 479 006</b>	<b>68 587 999</b>	<b>65 469 909</b>	<b>66 794 150</b>

## 16. Payables from exchange transactions

Affiliates, related parties and associated companies	16.1	3 311 152	3 311 152	3 311 152	3 311 152
Bulk purchases	16.2	163 314 970	127 471 914	163 314 970	127 471 914
Contractors	16.3	171 780 563	141 871 449	171 780 563	141 871 449
Control and clearing accounts	16.4	15 114 172	17 095 471	15 104 663	17 085 962
Employee benefits	16.5	22 703 484	21 703 047	22 134 732	21 292 684
Other payables	16.6	367 402 108	337 098 279	355 411 419	322 279 085
<b>Total</b>		<b>743 626 449</b>	<b>648 551 312</b>	<b>731 057 499</b>	<b>633 312 246</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>16. Payables from exchange transactions (continued)</b>				
Current	743 626 449	648 551 312	731 057 499	633 312 246
<b>16.1 Affiliates, related parties and associated companies</b>				
Capricorn District Municipality	3 311 152	3 311 152	3 311 152	3 311 152
<b>16.2 Bulk purchases</b>				
Bulk water	31 755 946	21 551 746	31 755 946	21 551 746
Bulk electricity	131 559 024	105 920 168	131 559 024	105 920 168
<b>Total</b>	<b>163 314 970</b>	<b>127 471 914</b>	<b>163 314 970</b>	<b>127 471 914</b>
<b>16.3 Contractors</b>				
Retentions	171 780 563	141 871 449	171 780 563	141 871 449
<b>16.4 Control and clearing accounts</b>				
Prepaid electricity	14 749 063	16 466 919	14 749 063	16 466 919
Salary Control - Employee Related Costs	356 162	619 605	355 600	619 043
Skills control	8 947	8 947	-	-
<b>Total</b>	<b>15 114 172</b>	<b>17 095 471</b>	<b>15 104 663</b>	<b>17 085 962</b>
<b>16.5 Employee benefits</b>				
Bonus	22 703 484	21 703 047	22 134 732	21 292 684
<b>16.6 Other payables</b>				
Agency fees	624 898	-	624 898	-
Auditor-General of South Africa	-	166 888	-	166 888
Payables - Work in progress	9 209 283	11 209 283	-	-
Payables and accruals	256 362 060	216 633 442	254 891 185	214 403 751
Unallocated deposits	19 715 028	22 457 820	18 404 497	21 077 600
Advance payments	81 490 839	86 630 846	81 490 839	86 630 846
<b>Total</b>	<b>367 402 108</b>	<b>337 098 279</b>	<b>355 411 419</b>	<b>322 279 085</b>
<b>17. Payables from non - exchange transactions</b>				
<b>Group 2024</b>				



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company		Total
	2024	2023	2024	2023	
<b>17. Payables from non - exchange transactions (continued)</b>					
	<b>Opening balance</b>	<b>Funds received</b>	<b>Funds surrendered</b>	<b>Funds utilised</b>	<b>Total</b>
Integrated National Electrification Programme Grant	467 687	17 161 000	-	(17 622 654)	6 033
Neighbourhood Development Partnership Grant	4 974 227	22 168 000	(4 974 228)	(22 167 999)	-
Energy Efficiency and Demand Side Management Grant	-	4 000 000	-	(3 994 213)	5 787
Public Transport Network Grant	12 270 925	163 978 000	(12 270 925)	(159 625 651)	4 352 349
Regional Bulk Infrastructure Grant	-	238 539 000	-	(238 539 000)	-
Water Services Infrastructure Grant	1	67 700 000	-	(67 700 001)	-
Municipal Disaster Relief Grant	4 500 084	14 280 000	-	(12 529 191)	6 250 893
Integrated Urban Development Grant	-	435 949 000	-	(435 949 000)	-
Local Government Financial Management Grant	-	2 400 000	-	(2 400 000)	-
Infrastructure Skills Development Grant	-	5 869 000	-	(3 351 390)	2 517 610
Expanded Public Works Programme	-	11 135 000	-	(11 135 000)	-
Capricorn District Municipality	17 589	-	-	-	17 589
Department of Local Government and Housing	2 949 709	-	-	-	2 949 709
Local Government - Housing Accreditation	591 743	43 852	-	-	635 595
Social Housing Regulatory Authority	8 310	-	-	-	8 310
	<b>25 780 275</b>	<b>983 222 852</b>	<b>(17 245 153)</b>	<b>(975 014 099)</b>	<b>16 743 875</b>

### Group 2023

	<b>Opening balance</b>	<b>Funds received</b>	<b>Funds surrendered</b>	<b>Funds utilised</b>	<b>Total</b>
Integrated National Electrification Programme Grant	6 949 177	33 000 000	(6 949 177)	(32 532 313)	467 687
Neighbourhood Development Partnership Grant	22 686 122	25 088 000	(16 663 162)	(26 136 732)	4 974 228
Energy Efficiency and Demand Side Management Grant	85 226	1 000 000	(85 226)	(1 000 000)	-
Public Transport Network Grant	71 428 598	166 506 000	(71 428 598)	(154 235 075)	12 270 925
Regional Bulk Infrastructure Grant	28 319 399	134 584 000	(28 319 399)	(134 584 000)	-
Water Services Infrastructure Grant	12 553 041	63 124 000	(12 553 040)	(63 124 000)	1
Municipal Disaster Relief Grant	84	4 500 000	-	-	4 500 084
Integrated Urban Development Grant	10 124 399	376 044 000	-	(386 168 399)	-
Local Government Financial Management Grant	303	2 400 000	-	(2 400 303)	-
Infrastructure Skills Development Grant	-	6 000 000	-	(6 000 000)	-
Expanded Public Works Programme	-	11 570 000	-	(11 570 000)	-
Capricorn District Municipality	17 589	-	-	-	17 589
Department of Local Government and Housing	2 949 709	-	-	-	2 949 709
Local Government - Housing Association	560 868	30 875	-	-	591 743
Department of Sports, Art and Culture	133 704	-	(133 704)	-	-
Social Housing Regulatory Authority	8 309	-	-	-	8 309
	<b>155 816 528</b>	<b>823 846 875</b>	<b>(136 132 306)</b>	<b>(817 750 822)</b>	<b>25 780 275</b>

### Company 2024

# Polokwane Municipality

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Figures in Rand	Group		Company		
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<b>17. Payables from non - exchange transactions (continued)</b>					
	Opening Balance	Funds received	Funds surrendered	Funds utilised	Total
Integrated National Electrification Programme Grant	467 687	17 161 000	-	(17 622 654)	6 033
Neighbourhood Development Partnership Grant	4 974 227	22 168 000	(4 974 228)	(22 167 999)	-
Energy Efficiency and Demand Side Management Grant	-	4 000 000	-	(3 994 213)	5 787
Public Transport Network Grant	12 270 925	163 978 000	(12 270 925)	(159 625 651)	4 352 349
Regional Bulk Infrastructure Grant	-	238 539 000	-	(238 539 000)	-
Water Services Infrastructure Grant	1	67 700 000	-	(67 700 001)	-
Municipal Disaster Relief Grant	4 500 084	14 280 000	-	(12 529 191)	6 250 893
Integrated Urban Development Grant	-	435 949 000	-	(435 949 000)	-
Local Government Financial Management Grant	-	2 400 000	-	(2 400 000)	-
Infrastructure Skills Development Grant	-	5 869 000	-	(3 351 390)	2 517 610
Expanded Public Works Programme	-	11 135 000	-	(11 135 000)	-
Capricorn District Municipality	17 589	-	-	-	17 589
Department of Local Government and Housing	2 949 709	-	-	-	2 949 709
Local Government - Housing Accreditation	591 743	43 852	-	-	635 595
	<b>25 771 965</b>	<b>983 222 852</b>	<b>(17 245 153)</b>	<b>(975 014 099)</b>	<b>16 735 565</b>

### Company - 2023

	Opening balance	Funds received	Funds surrendered	Funds utilised	Total
Integrated National Electrification Programme Grant	6 949 177	33 000 000	(6 949 177)	(32 532 313)	467 687
Neighbourhood Development Partnership Grant	22 686 122	25 088 000	(16 663 162)	(26 136 732)	4 974 228
Energy Efficiency and Demand Side Management Grant	85 226	1 000 000	(85 226)	(1 000 000)	-
Public Transport Network Grant	71 428 598	166 506 000	(71 428 598)	(154 235 075)	12 270 925
Regional Bulk Infrastructure Grant	28 319 399	134 584 000	(28 319 399)	(134 584 000)	-
Water Services Infrastructure Grant	12 553 041	63 124 000	(12 553 040)	(63 124 000)	1
Municipal Disaster Relief Grant	84	4 500 000	-	-	4 500 084
Integrated Urban Development Grant	10 124 399	376 044 000	-	(386 168 399)	-
Local Government Financial Management Grant	303	2 400 000	-	(2 400 303)	-
Infrastructure Skills Development Grant	-	6 000 000	-	(6 000 000)	-
Expanded Public Works Programme	-	11 570 000	-	(11 570 000)	-
Capricorn District Municipality	17 589	-	-	-	17 589
Department of Local Government and Housing	2 949 709	-	-	-	2 949 709
Local Government - Housing Accreditation	560 868	30 875	-	-	591 743
Department of Sports, Art and Culture	133 704	-	(133 704)	-	-
	<b>155 808 219</b>	<b>823 846 875</b>	<b>(136 132 306)</b>	<b>(817 750 822)</b>	<b>25 771 966</b>

### Reconciliation of funds surrendered

Paid back to National Treasury	17 245 153	135 998 602	17 245 153	135 998 602
Paid back to Provincial Government	-	133 704	-	133 704
	<b>17 245 153</b>	<b>136 132 306</b>	<b>17 245 153</b>	<b>136 132 306</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>18. Borrowings</b>				
<b>Total borrowings</b>				
Annuity and Bullet Loans	347 688 492	372 776 892	347 688 492	372 776 892
Less: Current portion transferred to current liabilities	(27 778 472)	(25 088 400)	(27 778 472)	(25 088 400)
<b>Total non-current borrowings</b>	<b>319 910 020</b>	<b>347 688 492</b>	<b>319 910 020</b>	<b>347 688 492</b>

### 18.1 Summary of arrangements

The Municipality had entered into a loan agreement with the Development Bank of Southern Africa in March 2017 to borrow R235 million at a interest rate of 10.756% over 14.92 years. The last instalment is repayable on 31 January 2032.

The Municipality had entered into a loan agreement with Standard Bank in January 2018 to borrow R205 million at a interest rate of 10.98% over 15years. The last instalment is repayable on 31 January 2032.

### 19. Finance Lease liabilities

Finance lease liabilities	19.1	22 966 725	25 629 451	22 966 725	25 629 451
Less: Transferred to current liabilities		(10 610 561)	(21 052 712)	(10 610 561)	(21 052 712)
<b>Total non-current liabilities</b>		<b>12 356 164</b>	<b>4 576 739</b>	<b>12 356 164</b>	<b>4 576 739</b>

The municipality leases cellphones and photocopiers under finance leases.

The cellphone lease contracts were signed with Telkom over a period of 2 years.

The photocopier contracts were signed with Mabapa Trading CC over a period of 3 years after the expiry of the contract with Dido Digital. A contingent rent of 14 cents (black) and 70 cents (colour) is charged per copy.

The vehicle leases from ABSA expired during the current year.

### 19.1 Finance lease payable

#### The group as lessee

The obligations under finance leases are as follows:

<b>Total future minimum lease payments</b>					
Payable within 1 year		12 867 596	22 622 931	12 867 596	22 622 931
Payable within 2 to 5 years		13 839 223	4 956 534	13 839 223	4 956 534
<b>Total minimum lease payments</b>		<b>26 706 819</b>	<b>27 579 465</b>	<b>26 706 819</b>	<b>27 579 465</b>
Less: Future finance charges		(3 740 094)	(1 950 014)	(3 740 094)	(1 950 014)
<b>Total</b>		<b>22 966 725</b>	<b>25 629 451</b>	<b>22 966 725</b>	<b>25 629 451</b>
<b>Present value of minimum lease payments</b>					
Payable within 1 year		10 610 561	21 052 712	10 610 561	21 052 712
Payable within 2 to 5 years		12 356 164	4 576 739	12 356 164	4 576 739
<b>Total</b>		<b>22 966 725</b>	<b>25 629 451</b>	<b>22 966 725</b>	<b>25 629 451</b>
Current liability		10 610 561	21 052 712	10 610 561	21 052 712
Non-current liability		12 356 164	4 576 739	12 356 164	4 576 739
Total contingent rents recognised as an expense		2 632 530	2 112 344	2 632 530	2 112 344

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company		
	2024	2023	2024	2023	
<b>20. Employee benefits</b>					
<b>Non-current employee benefits</b>					
Post employment health care benefits	20.1	223 958 000	214 847 000	223 958 000	214 847 000
Ex-Gratia pension benefits	20.2	14 703 000	13 583 000	14 703 000	13 583 000
Leave	20.3	98 708 326	108 015 611	98 708 326	108 015 611
Long-service awards	20.4	65 188 000	61 449 000	64 329 000	60 699 000
		<b>402 557 326</b>	<b>397 894 611</b>	<b>401 698 326</b>	<b>397 144 611</b>
<b>Current employee benefits</b>					
Post employment health care benefits	20.1	8 280 000	-	8 280 000	-
Leave	20.3	8 302 270	9 640 921	8 021 297	9 116 740
Long-service awards	20.4	109 000	100 000	-	-
		<b>16 691 270</b>	<b>9 740 921</b>	<b>16 301 297</b>	<b>9 116 740</b>
<b>Total</b>		<b>419 248 596</b>	<b>407 635 532</b>	<b>417 999 623</b>	<b>406 261 351</b>

### 20.1 Post employment health care benefits

The group provides certain post-retirement medical benefits by funding the medical aid contributions of qualifying retired members of the group. According to the rules of the Medical Aid Funds, with which the group 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 group is liable for a certain portion of the medical aid membership fee. The group operates an unfunded defined benefit plan for these qualifying employees.

	Number		Number	
In-service members (Employees)	1 193	1 197	1 193	1 197
Continuation members (Retirees)	769	813	769	813
In service employees (Non-members)	130	132	130	132
<b>Total members</b>	<b>2 092</b>	<b>2 142</b>	<b>2 092</b>	<b>2 142</b>

The liability in respect of past service has been estimated as follows:

In-service members (Employees)	159 660 000	145 268 000	159 660 000	145 268 000
Continuation members (Retirees)	72 578 000	69 579 000	72 578 000	69 579 000
<b>Total liability</b>	<b>232 238 000</b>	<b>214 847 000</b>	<b>232 238 000</b>	<b>214 847 000</b>
Current	8 280 000	-	8 280 000	-
Non-current	223 958 000	214 847 000	223 958 000	214 847 000
<b>Total liability</b>	<b>232 238 000</b>	<b>214 847 000</b>	<b>232 238 000</b>	<b>214 847 000</b>

The group makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Key Health
- LA Health
- Fed Health
- Samwumed

The Future-service Cost for the ensuing year is estimated to be R 10 498 000 whereas the Interest Cost is estimated to be R 28 658 000.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 20. Employee benefits (continued)

#### Rates of interest

Discount rate	Yield curve	Yield curve	Yield curve	Yield curve
Consumer Price Inflation (CPI)	Difference between nominal and yield curve	Difference between nominal and yield curve	Difference between nominal and yield curve	Difference between nominal and yield curve
Medical aid contribution inflation	CPI+1%	CPI+1%	CPI+1%	CPI+1%
Net effective discount rate	Yield curve based	Yield curve based	Yield curve based	Yield curve based

GRAP 25 defines the determination of the Discount Rate Assumption to be used as follows:

'The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.'

The Actuaries used the nominal and real zero curves as at 28 June 2024 supplied by the JSE to determine the discount rates and CPI assumptions at each relevant time period.

#### Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS. Furthermore, no updates were made for the impact of COVID 19 as there is insufficient evidence to suggest that it would have an impact on mortality rates in the future.

#### Normal and average retirement age

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for ill-health and early retirements. The normal retirement age (NRA) for all active employees was assumed to be 65 years.

#### Amounts recognised in the statement of financial position

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

Present value of unfunded obligations	232 238 000	214 847 000	232 238 000	214 847 000
---------------------------------------	-------------	-------------	-------------	-------------

#### Amounts recognised in the statement of financial performance

The amounts recognised in the statement of financial performance is as follows:

Current service cost	9 429 000	9 858 000	9 429 000	9 858 000
Interest cost	27 828 000	22 505 000	27 828 000	22 505 000
Actuarial loss/ (gain) recognised in the year	(11 893 566)	1 756 927	(11 893 566)	1 756 927
<b>Total post-retirement benefit included in employee related costs</b>	<b>34 25 363 434</b>	<b>34 34 119 927</b>	<b>34 25 363 434</b>	<b>34 34 119 927</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>20. Employee benefits (continued)</b>				
<b>Movement in the present value of the defined benefit obligation</b>				
Opening balance	214 847 000	188 093 000	214 847 000	188 093 000
Current service cost	9 429 000	9 858 000	9 429 000	9 858 000
Interest cost	27 828 000	22 505 000	27 828 000	22 505 000
Actual employer benefit payments	(7 972 434)	(7 365 927)	(7 972 434)	(7 365 927)
Actuarial loss/(gain) recognised in the year	(11 893 566)	1 756 927	(11 893 566)	1 756 927
	<b>232 238 000</b>	<b>214 847 000</b>	<b>232 238 000</b>	<b>214 847 000</b>

### History of present value of unfunded defined benefit

	2020	2021	2022	2023	2024
Present value of defined benefit obligation	197 335 000	204 408 000	188 093 000	214 847 000	232 238 000

### Company

	2020	2021	2022	2023	2024
Present value of defined benefit obligation	197 335 000	204 408 000	188 093 000	214 847 000	232 238 000

### Sensitivity Analysis

The effect of a 1% movement in the assumed rate of medical aid inflation is as follows:

	+1% Increase	-1% Decrease	+1% Increase	-1% Decrease
Effect on the defined benefit obligation	258 277 000	207 609 000	258 277 000	207 609 000
Effect on the aggregate of the interest cost	31 962 000	25 536 000	31 962 000	25 536 000
Effect on the aggregate of the current service cost	12 212 000	8 919 000	12 212 000	8 918 000

The effect of a 20% movement in the assumed mortality rates are as follow on the ensuing years assumptions:

	+20% Mortality rate	-20% Mortality rate	+20% Mortality rate	-20% Mortality rate
Total accrued liability	216 760 000	250 789 000	216 760 000	250 789 000
Effect on the aggregate of the interest cost	26 710 000	30 992 000	26 710 000	30 992 000
Effect on the aggregate of the current service cost	9 736 000	11 399 000	9 736 000	11 399 000

ZAQ Consultants and Actuaries were the appointed actuaries for the year ending 30 June 2024.

## 20.2 Ex-Gratia pension benefits

### 20.2.1 Provision for ex-gratia pension benefits

#### Movements in the present value of the defined benefit obligation

Opening Balance	13 582 998	14 355 000	13 582 998	14 355 000
Interest	974 000	1 723 000	974 000	1 723 000
Current service cost	1 722 000	1 134 000	1 722 000	1 134 000
Actual employer benefit payments	(1 392 204)	(1 173 367)	(1 392 204)	(1 173 367)
Actuarial (gain)/loss recognised in the year	(183 794)	(2 455 633)	(183 794)	(2 455 633)
<b>Closing balance</b>	<b>14 703 000</b>	<b>13 583 000</b>	<b>14 703 000</b>	<b>13 583 000</b>
Non-current	14 703 000	13 583 000	14 703 000	13 583 000

Key assumptions

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 20. Employee benefits (continued)

The basis on which the discount rate has been determined is as follows:

To obtain the applicable discount rate, the implied duration of the liability to obtain an appropriate interest rate on the yield curve is used. The nominal and real zero curves as at 28 June 2024 supplied by the JSE is used to determine the discounted rates and CPI assumptions is used.

The discount rate used is 12.35%.

The consumer price inflation value used is 6.91%

Net effective discount rate: 5.09%

The normal retirement age is 65 years whilst the average retirement age used is 63 years in order to implicitly allow for ill health and early retirements.

Mortality rate used has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. No updates are made for the impact of COVID 19 as there is insufficient evidence that it would have an impact on mortality rates in the future.

Sensitivity analysis

The effect of a 1% movement in the assumed rate of inflation is as follows:

	1% Decrease	1% Increase	1% Decrease	1% Increase
Effect on the interest cost	1 598 000	1 984 000	1 598 000	1 984 000
Effect on current service cost	901 000	1 163 000	901 000	1 163 000
Effect on the defined benefit obligation	13 311 000	16 308 000	13 311 000	16 308 000

### 20.3 Leave

#### 20.3.1 Provision for leave

##### Movements in the present value of the defined benefit obligation

Opening Balance	117 656 532	157 558 014	117 132 351	156 528 127
Reductions (Payments, remeasurement etc.)	(10 402 728)	(37 116 103)	(10 402 728)	(36 610 397)
Reversals	(243 208)	(2 785 379)	-	(2 785 379)
<b>Closing balance</b>	<b>107 010 596</b>	<b>117 656 532</b>	<b>106 729 623</b>	<b>117 132 351</b>

Current	8 302 270	9 640 921	8 021 297	9 116 740
Non-current	98 708 326	108 015 611	98 708 326	108 015 611

### 20.4 Long-service awards

#### 20.4.1 Provision for long-service awards

##### Movements in the present value of the defined benefit obligation

Opening Balance	61 549 000	59 228 000	60 699 000	58 512 000
Current cost	5 109 000	5 221 000	5 022 000	5 144 000
Interest cost	6 716 000	6 743 000	6 626 000	6 665 000
Benefits paid	(362 580)	(210 969)	(262 580)	(181 969)
Actuarial (gain)/loss	(7 714 420)	(9 432 031)	(7 755 420)	(9 440 031)
<b>Closing balance</b>	<b>65 297 000</b>	<b>61 549 000</b>	<b>64 329 000</b>	<b>60 699 000</b>

Current	109 000	100 000	-	-
Non-current	65 188 000	61 449 000	64 329 000	60 699 000

Discount rate: Yield curve

CPI: Difference between nominal and real yield curve

Normal salary increase rate: CPI+1%

Net effective discount rate: Yield curve based

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Figures in Rand	Group		Company	
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### 20. Employee benefits (continued)

#### Sensitivity analysis

The effect of a 1% movement in the normal salary inflation are as follow on the ensuing years assumptions:

	1% Decrease	1% Increase	1% Decrease	1% Increase
Effect on the defined benefit obligation	60 860 000	68 107 000	60 860 000	68 107 000
Effect on the aggregate of the current service cost	4 814 000	5 500 000	4 814 000	5 500 000
Effect on the aggregate of the interest cost	6 388 000	7 197 000	6 388 000	7 197 000

The effect of a 20% movement in the withdrawal rates are as follow on the ensuing years assumptions:

	-20% Withdrawal rate	+20% Withdrawal rate	-20% Withdrawal rate	+20% Withdrawal rate
Effect on the defined benefit obligation	66 853 000	61 990 000	66 853 000	61 990 000
Effect on the aggregate of the current service cost	5 419 000	4 888 000	5 419 000	4 888 000
Effect on the aggregate of the interest cost	7 059 000	6 513 000	7 059 000	6 513 000

### 21. Provision

Landfill Sites	21.1	129 352 291	117 269 606	129 352 291	117 269 606
Current		3 656 736	-	3 656 736	-
Non-current		125 695 555	117 269 606	125 695 555	117 269 606

#### 21.1 Landfill Sites

Opening Balance	117 269 606	125 456 774	117 269 606	125 456 774
Change in landfill closure provision	(440 450)	(19 951 164)	(440 450)	(19 951 164)
Interest cost	12 523 135	11 763 996	12 523 135	11 763 996
<b>Closing balance</b>	<b>129 352 291</b>	<b>117 269 606</b>	<b>129 352 291</b>	<b>117 269 606</b>
Current	3 656 736	-	3 656 736	-
Non-current	125 695 555	117 269 606	125 695 555	117 269 606

The landfill rehabilitation provision is created for the rehabilitation of Aganang and Weltevreden landfill site which is evaluated at each year-end to reflect the best estimate at reporting date. The valuation for the landfill site was performed by a team from **Environmental and Sustainability Solutions CC** consisting of Mr Seakle Godschalk MSc(Zoology) with the following qualifications: MCom(Accounting), SAIEES, CIGFARO, SACNASP and Maryna Mohr with the following qualifications: DTech (Environmental Management), MBA. The warranty provision represents management's best estimate of the liability under one period warranties granted on (electrical) (products), based on (prior experience) (and) (industry averages for defective products).

Key financial assumptions used in this calculation were as follows:

#### Weltevreden landfill

CPI - 5.1704%  
Discount rate - 10.1704  
Net effective discount rate - 5%

Aganang landfill.



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Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 21. Provision (continued)

CPI - 5.1704%  
Discount rate - 10.6704%  
Net effective discount rate - 5.5%

The approximate size used as at 30 June 2024 is 378 726 square metres for Weltevreden. The total area of the landfill is 298 314 square metres at the Aganang landfill site.

#### Remaining useful life:

Weltevreden: 2 years  
Aganang: 47 years

The disclosed amount of R129 352 290 represents a decrease of R440 450 from the provision of R117 269 605 in the previous financial year. The factors that cause a decrease in the closure provision relates to changes in the CPI, discount rate and unit costs amounting to R440 450. The interest charge relating to the assessment amounts to R12 523 135.

The corresponding asset is measured using the revaluation model.

### 22. Revaluation Reserve

Revaluation Reserve 10 375 708 105 10 375 708 105 10 257 919 444 10 257 919 444

#### Reconciliation of Revaluation reserve

Opening balance 10 375 708 105 7 601 069 756 10 257 919 444 7 483 281 095  
Revaluation for the year - 2 774 638 349 - 2 774 638 349

10 375 708 105 10 375 708 105 10 257 919 444 10 257 919 444

Refer to Statement of changes in net assets for more detail and the movement on Reserves.

### 23. Services charges

#### Electricity

Electricity charges 1 368 902 843 1 179 655 522 1 368 902 843 1 179 655 522

#### Waste management

Waste management charges 142 911 569 140 929 587 142 911 569 140 929 587

#### Waste water management

Waste water management charges 170 741 829 150 939 516 170 741 829 150 939 516

#### Water management

Water management charges 298 432 073 264 124 630 298 432 073 264 124 630

#### Total

1 980 988 314 1 735 649 255 1 980 988 314 1 735 649 255

### 24. Rental from fixed assets

Market related 32 331 124 32 718 557 32 331 124 32 718 557

Non-market related 20 779 104 15 092 407 8 629 927 3 606 685

Total 53 110 228 47 810 964 40 961 051 36 325 242

#### 24.1 Rental by asset class

##### Market related

Property, plant and equipment 32 331 124 32 718 557 32 331 124 32 718 557

##### Non-market related

# Polokwane Municipality

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Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>24. Rental from fixed assets (continued)</b>				
Property, plant and equipment	12 173 013	11 501 058	23 836	15 336
Investment property	8 606 091	3 591 349	8 606 091	3 591 349
	<b>20 779 104</b>	<b>15 092 407</b>	<b>8 629 927</b>	<b>3 606 685</b>
<b>Total</b>	<b>53 110 228</b>	<b>47 810 964</b>	<b>40 961 051</b>	<b>36 325 242</b>
<b>24.2 Rental by type</b>				
<b>Market related</b>				
<b>Property, plant and equipment</b>				
<b>Community assets</b>				
• Ad-hoc rentals	17 702 186	13 754 713	17 702 186	13 754 713
• Straight-lined operating	14 628 788	18 963 844	14 628 788	18 963 844
	<b>32 330 974</b>	<b>32 718 557</b>	<b>32 330 974</b>	<b>32 718 557</b>
<b>Other assets</b>				
• Ad-hoc rentals	150	-	150	-
<b>Total property, plant and equipment</b>	<b>32 331 124</b>	<b>32 718 557</b>	<b>32 331 124</b>	<b>32 718 557</b>
<b>Non-market related</b>				
<b>Property, plant and equipment</b>				
<b>Other assets</b>				
• Ad-hoc rentals	12 173 013	11 501 058	23 836	15 336
<b>Investment property</b>				
Ad-hoc rentals	8 606 091	3 591 349	8 606 091	3 591 349
<b>Total non-market related</b>	<b>20 779 104</b>	<b>15 092 407</b>	<b>8 629 927</b>	<b>3 606 685</b>
<b>Total</b>	<b>53 110 228</b>	<b>47 810 964</b>	<b>40 961 051</b>	<b>36 325 242</b>
<b>25. Interest earned from receivables</b>				
Service charges	96 290 038	69 602 148	96 290 038	69 602 148
Property rates	25.1 55 411 975	40 925 649	55 411 975	40 925 649
<b>Total</b>	<b>151 702 013</b>	<b>110 527 797</b>	<b>151 702 013</b>	<b>110 527 797</b>
<b>25.1 Interest earned from non-exchange receivables</b>				
<b>Consumer receivables</b>				
Property rates	55 411 975	40 925 649	55 411 975	40 925 649
<b>26. Interests on investments</b>				
Bank accounts	21 080 865	17 812 552	21 080 865	17 812 550
Short-term investments and call accounts	27 096 905	21 002 446	27 096 905	21 002 446
<b>Total</b>	<b>48 177 770</b>	<b>38 814 998</b>	<b>48 177 770</b>	<b>38 814 996</b>
<b>27. Licences or permits</b>				
Exchange revenue	27.1 13 596 844	13 788 739	13 596 844	13 788 739

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>27. Licences or permits (continued)</b>				
<b>27.1 Licenses and permits - Exchange revenue</b>				
Road and transport	13 594 947	13 781 297	13 594 947	13 781 297
Trading	1 897	7 442	1 897	7 442
<b>Total</b>	<b>13 596 844</b>	<b>13 788 739</b>	<b>13 596 844</b>	<b>13 788 739</b>
<b>28. Agency services</b>				
Public Entities	332 199	134 796	332 199	134 796
Provincial	25 894 646	23 419 540	25 894 646	23 419 540
<b>Total</b>	<b>26 226 845</b>	<b>23 554 336</b>	<b>26 226 845</b>	<b>23 554 336</b>
<b>29. Operational revenue</b>				
Administrative Handling Fees	708 902	721 398	708 902	721 398
Arbor City Awards Competition	700 000	-	700 000	-
Commission	4 292 710	2 366 819	4 292 710	2 366 819
Incidental Cash Surpluses	12 208	36 583 862	12 208	36 583 862
Inspection fees	53 125	45 677	53 125	45 677
Request for information	66 670	48 831	66 670	48 831
Skills Development Levy Refund	1 727 423	1 750 820	1 727 423	1 750 820
Staff and Councillors Recoveries	59 895	19 103	59 895	19 103
<b>Total</b>	<b>7 620 933</b>	<b>41 536 510</b>	<b>7 620 933</b>	<b>41 536 510</b>
<b>30. Sales of goods and rendering of services</b>				
Academic Services	34 036	87 624	34 036	87 624
Advertisements	126 711	116 118	126 711	116 118
Application Fees for Land Usage	495 786	1 136 418	495 786	1 136 418
Building Plan Approval	6 625 900	8 405 139	6 625 900	8 405 139
Cemetery and Burial	1 305 458	1 205 213	1 305 458	1 205 213
Clearance Certificates	1 654 095	1 333 822	1 654 095	1 333 822
Entrance Fees	877 533	867 472	877 533	867 472
Escort Fees	306 808	149 690	306 808	149 690
Fire Services	164 594	131 054	164 594	131 054
Library Fees	20 895	19 371	20 895	19 371
Occupation Certificates	224 495	268 277	224 495	268 277
Parking Fees	1 913	-	1 913	-
Photo copies, Faxes and Telephone charges	15 271	10 362	15 271	10 362
Sale of Goods	5 338	386 910	5 338	386 910
Transport Fees	9 350 104	12 231 910	9 350 104	12 231 910
Weighbridge Fees	2 250	11 096	2 250	11 096
<b>Total</b>	<b>21 211 187</b>	<b>26 360 476</b>	<b>21 211 187</b>	<b>26 360 476</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>31. Property rates</b>				
Agricultural Property	12 480 580	(487 175)	12 480 580	(487 175)
Business and Commercial Properties	259 871 959	245 593 944	259 871 959	245 593 944
Farm Properties	-	11 520 471	-	11 520 471
Industrial Properties	63 841 604	60 150 920	63 841 604	60 150 920
Public Benefit Organisations	478 822	(387 605)	478 822	(387 605)
Public Service Infrastructure Properties	125 475	319 165	125 475	319 165
Public service purposes properties	22 126 261	-	22 126 261	-
Residential Properties	243 631 136	234 831 522	243 631 136	234 831 522
State-owned Properties	-	21 103 192	-	21 103 192
<b>Total</b>	<b>602 555 837</b>	<b>572 644 434</b>	<b>602 555 837</b>	<b>572 644 434</b>

### 32. Transfers and subsidies

#### Operational

Monetary allocations or revenue	32.1	1 538 725 422	1 403 549 423	1 538 725 422	1 403 549 423
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#### Capital

Allocations in-kind	32.2	3 982 090	576 297	3 982 090	576 297
Monetary allocations or revenue	32.3	773 199 098	612 012 650	770 124 798	612 012 650

#### Total transfers and subsidies: Capital

<b>Total</b>		<b>777 181 188</b>	<b>612 588 947</b>	<b>774 106 888</b>	<b>612 588 947</b>
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#### 32.1 Monetary allocations or revenue: Operational

National Treasury - conditional grants		219 604 269	205 738 170	219 604 269	205 738 170
National Treasury - equitable share		1 318 621 153	1 196 549 603	1 318 621 153	1 196 549 603
Public contributions and donations		500 000	1 261 650	500 000	1 261 650
<b>Total</b>		<b>1 538 725 422</b>	<b>1 403 549 423</b>	<b>1 538 725 422</b>	<b>1 403 549 423</b>

#### Revenue recognised per grant

Expanded Public Works Programme Integrated Grant		11 135 000	11 570 000	11 135 000	11 570 000
Infrastructure Skills Development Grant		2 759 462	6 000 000	2 759 462	6 000 000
Local Government Financial Management Grant		2 024 065	2 055 303	2 024 065	2 055 303
Water Services Infrastructure Grant		-	11 511 012	-	11 511 012
Public Transport Network Grant		88 491 123	78 525 573	88 491 123	78 525 573
Integrated National Electrification Programme Grant		-	4 188 727	-	4 188 727
Integrated Urban Development Grant		115 194 619	91 887 555	115 194 619	91 887 555
<b>Total</b>		<b>219 604 269</b>	<b>205 738 170</b>	<b>219 604 269</b>	<b>205 738 170</b>

#### 32.2 Allocations in-kind: Capital

Private enterprises		3 982 090	576 297	3 982 090	576 297
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#### 32.3 Monetary allocations: Capital

Departmental agencies and accounts		3 074 300	-	-	-
Foreign government and international organisations		14 714 969	-	14 714 969	-
National government		755 409 829	612 012 650	755 409 829	612 012 650
<b>Total</b>		<b>773 199 098</b>	<b>612 012 650</b>	<b>770 124 798</b>	<b>612 012 650</b>

#### Revenue recognised per grant

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>32. Transfers and subsidies (continued)</b>				
Integrated National Electrification Programme Grant	17 622 654	28 343 585	17 622 654	28 343 585
Neighbourhood Development Partnership Grant	22 167 999	26 136 732	22 167 999	26 136 732
Local Government Finance Management Grant	375 935	345 000	375 935	345 000
Energy Efficiency and Demand Side Management Grant	3 994 213	1 000 000	3 994 213	1 000 000
Water Services Infrastructure Grant	67 700 000	51 612 988	67 700 000	51 612 988
Public Transport Network Grant	71 134 528	75 709 501	71 134 528	75 709 501
Regional Bulk Infrastructure Grant	238 539 000	134 584 000	238 539 000	134 584 000
Infrastructure Skills Development Grant	591 928	-	591 928	-
Municipal Disaster Relief Grant	12 529 191	-	12 529 191	-
Integrated Urban Development Grant	320 754 381	294 280 844	320 754 381	294 280 844
Social Housing Regulatory Authority	3 074 300	-	-	-
	<b>758 484 129</b>	<b>612 012 650</b>	<b>755 409 829</b>	<b>612 012 650</b>

### Analysis of donations received in kind

Included in the donations amount that are donations received in kind. Refer to the table below for the respective details:

Upgrading of roads - Greenery Shopping Centre	3 982 090	-	3 982 090	-
Clear view fence	-	96 111	-	96 111
Jojo tanks	-	217 156	-	217 156
Pressure reducing valve	-	263 030	-	263 030
	<b>3 982 090</b>	<b>576 297</b>	<b>3 982 090</b>	<b>576 297</b>

### Analysis of cash donations

Mayors charity fund	500 000	1 211 650	500 000	1 211 650
Marathon	-	50 000	-	50 000
International cash donations for roads	14 714 969	-	14 714 969	-
	<b>15 214 969</b>	<b>1 261 650</b>	<b>15 214 969</b>	<b>1 261 650</b>

#### 32.4.1 Equitable share

Balance at the beginning of the year	-	-	-	-
Current year receipts	1 301 376 000	1 060 551 000	1 301 376 000	1 060 551 000
Offset December tranche - roll overs not approved	17 245 152	135 998 603	17 245 152	135 998 603
	<b>1 318 621 152</b>	<b>1 196 549 603</b>	<b>1 318 621 152</b>	<b>1 196 549 603</b>

This grant is an unconditional grant and is partially utilized for the provision of indigent support through basic service delivery.

#### 32.4.2 Finance Management Grant

Balance at the beginning of the year	-	303	-	303
Current year receipts	2 400 000	2 400 000	2 400 000	2 400 000
Conditions met - transferred to revenue	(2 400 000)	(2 400 303)	(2 400 000)	(2 400 303)
	-	-	-	-

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA, 2003. The conditions of the grant were met. No funds have been withheld.

#### 32.4.3 Public Transport Network Grant

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>32. Transfers and subsidies (continued)</b>				
Balance at the beginning of the year	12 270 926	71 428 599	12 270 926	71 428 599
Current year receipts	163 978 000	166 506 000	163 978 000	166 506 000
Conditions met - transferred to revenue	(159 625 651)	(154 235 075)	(159 625 651)	(154 235 075)
Paid back to National Treasury	(12 270 925)	(71 428 598)	(12 270 925)	(71 428 598)
	<b>4 352 350</b>	<b>12 270 926</b>	<b>4 352 350</b>	<b>12 270 926</b>

The grant was used for public transport and non motorised transport infrastructure.

### 32.4.4 Municipal Disaster Relief Grant

Balance at the beginning of the year	4 500 084	84	4 500 084	84
Current year receipts	14 280 000	4 500 000	14 280 000	4 500 000
Conditions met - transferred to revenue	(12 529 191)	-	(12 529 191)	-
	<b>6 250 893</b>	<b>4 500 084</b>	<b>6 250 893</b>	<b>4 500 084</b>

### 32.4.5 Limpopo Provincial Government

Balance at the beginning of the year	2 949 710	2 949 710	2 949 710	2 949 710
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The grant was utilised in the planning phase of the Convention Centre.

### 32.4.6 Limpopo Local Government and Housing

Balance at the beginning of the year	591 743	560 868	591 743	560 868
Current year receipts	43 853	30 875	43 853	30 875
	<b>635 596</b>	<b>591 743</b>	<b>635 596</b>	<b>591 743</b>

The grant was used to fund the housing accreditation process.

### 32.4.7 Integrated National Electrification Programme Grant

Balance at the beginning of the year	467 687	6 949 177	467 687	6 949 177
Current year receipts	17 161 000	33 000 000	17 161 000	33 000 000
Conditions met - transferred to revenue	(17 622 654)	(32 532 313)	(17 622 654)	(32 532 313)
Paid back to National Treasury	-	(6 949 177)	-	(6 949 177)
	<b>6 033</b>	<b>467 687</b>	<b>6 033</b>	<b>467 687</b>

The grant was used to fund projects to address the electrification backlogs in rural areas.

### 32.4.8 Capricorn District Municipality

Balance at the beginning of the year	17 589	17 589	17 589	17 589
Current year receipts	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-
	<b>17 589</b>	<b>17 589</b>	<b>17 589</b>	<b>17 589</b>

### 32.4.9 Expanded Public Works Programme Incentive Grant

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>32. Transfers and subsidies (continued)</b>				
Balance at the beginning of the year	-	-	-	-
Current year receipts	11 135 000	11 570 000	11 135 000	11 570 000
Conditions met - transferred to revenue	(11 135 000)	(11 570 000)	(11 135 000)	(11 570 000)
	-	-	-	-

The grant was used to fund projects in order to maximise job creation and skills development.

### 32.4.10 Neighbourhood Development Partnership Grant

Balance at the beginning of the year	4 974 227	22 686 122	4 974 227	22 686 122
Current year receipts	22 168 000	25 088 000	22 168 000	25 088 000
Conditions met - transferred to revenue	(22 136 758)	(26 136 732)	(22 136 758)	(26 136 732)
Paid back to National Treasury	(4 974 228)	(16 663 162)	(4 974 228)	(16 663 162)
	<b>31 241</b>	<b>4 974 228</b>	<b>31 241</b>	<b>4 974 228</b>

The grant was used to fund projects in order to provide community infrastructure to improve quality of life of residents in townships.

### 32.4.11 Infrastructure Skills Development Grant

Balance at the beginning of the year	-	-	-	-
Current year receipts	5 869 000	6 000 000	5 869 000	6 000 000
Conditions met - transferred to revenue	(3 351 390)	(6 000 000)	(3 351 390)	(6 000 000)
	<b>2 517 610</b>	<b>-</b>	<b>2 517 610</b>	<b>-</b>

### 32.4.12 Regional Bulk Infrastructure Grant

Balance at the beginning of the year	-	28 319 400	-	28 319 400
Current year receipts	238 539 000	134 584 000	238 539 000	134 584 000
Conditions met - transferred to revenue	(238 539 000)	(134 584 000)	(238 539 000)	(134 584 000)
Paid back to National Treasury	-	(28 319 400)	-	(28 319 400)
	-	-	-	-

The grant was used to fund projects in order to provide bulk infrastructure to improve quality of life of residents.

### 32.4.13 Energy Efficiency and Demand Side Management Grant

Balance at the beginning of the year	-	85 226	-	85 226
Current year receipts	4 000 000	1 000 000	4 000 000	1 000 000
Conditions met - transferred to revenue	(3 994 213)	(1 000 000)	(3 994 213)	(1 000 000)
Paid back to National Treasury	-	(85 226)	-	(85 226)
	<b>5 787</b>	<b>-</b>	<b>5 787</b>	<b>-</b>

The grant was used to reduce electricity consumption and improve energy efficiency.

### 32.4.14 Water Services Infrastructure Grant

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>32. Transfers and subsidies (continued)</b>				
Balance at the beginning of the year	-	12 553 040	-	12 553 040
Current year receipts	67 700 000	63 124 000	67 700 000	63 124 000
Conditions met - transferred to revenue	(67 696 540)	(63 124 000)	(67 696 540)	(63 124 000)
Paid back to National Treasury	-	(12 553 040)	-	(12 553 040)
	<b>3 460</b>	<b>-</b>	<b>3 460</b>	<b>-</b>

The grant was used to fund projects in order to provide water infrastructure to improve quality of life of residents.

### 32.4.15 Integrated Urban Development Grant

Balance at the beginning of the year	-	10 124 399	-	10 124 399
Current year receipts	435 949 000	376 044 000	435 949 000	376 044 000
Conditions met - transferred to revenue	(435 949 000)	(386 168 399)	(435 949 000)	(386 168 399)
	-	-	-	-

### 32.4.16 Department of Sports Arts and Culture

Balance at the beginning of the year	-	133 704	-	133 704
Paid back to the Department	-	(133 704)	-	(133 704)
	-	-	-	-

### 32.4.17 Social Housing Regulatory Authority

Balance at the beginning of the year	8 310	8 310	-	-
Current year receipts	3 074 300	-	-	-
Conditions met - transferred to revenue	(3 074 300)	-	-	-
	<b>8 310</b>	<b>8 310</b>	<b>-</b>	<b>-</b>

## 33. Fines, penalties and forfeits

Fines	33.1	38 820 345	41 441 158	38 820 345	41 441 158
Forfeits	33.2	2 158 316	1 091 106	2 158 316	1 010 108
<b>Total</b>		<b>40 978 661</b>	<b>42 532 264</b>	<b>40 978 661</b>	<b>42 451 266</b>

### 33.1 Fines

#### Traffic fines

Municipal fines	31 739 600	32 276 325	31 739 600	32 276 325
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#### Other fines

Illegal connections	6 941 900	9 041 812	6 941 900	9 041 812
Law enforcement	-	30	-	30
Overdue books	431	6 816	431	6 816
Pound fees	138 414	116 175	138 414	116 175
	<b>7 080 745</b>	<b>9 164 833</b>	<b>7 080 745</b>	<b>9 164 833</b>
<b>Total</b>	<b>38 820 345</b>	<b>41 441 158</b>	<b>38 820 345</b>	<b>41 441 158</b>



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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 33. Fines, penalties and forfeits (continued)

#### 33.2 Forfeits

Deposits	-	80 998	-	-
Retentions	2 100 173	888 530	2 100 173	888 530
Unclaimed money	58 143	121 578	58 143	121 578
<b>Total</b>	<b>2 158 316</b>	<b>1 091 106</b>	<b>2 158 316</b>	<b>1 010 108</b>

### 34. Employee related cost

Senior management	34.1	14 166 613	14 127 691	14 166 613	14 127 691
Municipal staff	34.2	1 101 497 901	1 067 774 753	1 090 115 629	1 057 888 492
Board members and entities	34.3	517 414	1 104 666	-	-
<b>Total</b>		<b>1 116 181 928</b>	<b>1 083 007 110</b>	<b>1 104 282 242</b>	<b>1 072 016 183</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 34. Employee related cost (continued)

#### 34.1 Senior management costs

##### Group - 2024

	Municipal manager	Chief financial officer	Director Strategic, Planning, Monitoring and Evaluation	Director Community Services	Director Energy Services	Director Planning and Economic Development	Director Transport Services	Director Water and Sanitation	Director Corporate and Shared Services	Director Roads	Deputy Chief Financial Officer	Total
Basic salary	1 642 992	371 020	-	1 317 252	719 109	1 317 252	728 579	728 579	-	609 471	1 065 883	8 500 137
Service-related benefits	-	306 916	81 805	-	183 108	-	57 747	132 014	81 805	-	-	843 395
Allowances	590 733	126 695	-	421 668	234 697	468 328	261 683	273 999	-	222 960	495 150	3 095 913
Medical	40 982	9 168	-	63 329	-	40 982	36 942	24 625	-	31 173	-	247 201
Pension	273 534	-	-	242 798	117 630	218 827	145 069	145 069	-	109 802	213 177	1 465 906
Unemployment insurance	2 125	531	177	2 125	1 063	2 195	1 240	1 240	177	1 063	2 125	14 061
	<b>2 550 366</b>	<b>814 330</b>	<b>81 982</b>	<b>2 047 172</b>	<b>1 255 607</b>	<b>2 047 584</b>	<b>1 231 260</b>	<b>1 305 526</b>	<b>81 982</b>	<b>974 469</b>	<b>1 776 335</b>	<b>14 166 613</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 34. Employee related cost (continued)

#### Group - 2023

	Municipal manager	Chief financial officer	Director Strategic, Planning, Monitoring and Evaluation	Director Community Services	Director Energy Services	Director Planning and Economic Development	Director Transportation and Services	Director Water and Sanitation	Director Corporate and Shared Services	Deputy Chief Financial Officer	Total
Basic salary	1 360 990	1 191 164	562 067	509 845	1 293 234	724 544	12 664	16 885	1 013 299	1 011 274	7 695 966
Service-related benefits	43 934	46 841	479 232	46 209	-	232 825	95 094	269 506	531 055	-	1 744 696
Allowances	528 000	787 912	222 706	199 209	490 685	260 974	21 089	28 261	502 768	489 899	3 531 503
Medical	35 392	52 967	-	25 035	-	25 205	-	-	-	-	138 599
Pension	242 729	-	80 375	98 072	237 587	105 119	-	-	56 848	182 029	1 002 759
Unemployment insurance	2 125	2 125	1 063	1 063	2 125	1 594	177	177	1 594	2 125	14 168
	<b>2 213 170</b>	<b>2 081 009</b>	<b>1 345 443</b>	<b>879 433</b>	<b>2 023 631</b>	<b>1 350 261</b>	<b>129 024</b>	<b>314 829</b>	<b>2 105 564</b>	<b>1 685 327</b>	<b>14 127 691</b>

#### Company - 2024

	Municipal manager	Chief financial officer	Director Strategic, Planning, Monitoring and Evaluation	Director Community Services	Director Energy Services	Director Planning and Economic Development	Director Transport Services	Director Water and Sanitation	Director Corporate and Shared Services	Director Roads	Deputy Chief Financial Officer	Total
Basic salary	1 642 992	371 020	-	1 317 252	719 109	1 317 252	728 579	728 579	-	609 471	1 065 883	8 500 137
Service-related benefits	-	306 916	81 805	-	183 108	-	57 747	132 014	81 805	-	-	843 395
Allowances	590 733	126 695	-	421 668	234 697	468 328	261 683	273 999	-	222 960	495 150	3 095 913
Medical	40 982	9 168	-	63 329	-	40 982	36 942	24 625	-	31 173	-	247 201
Pension	273 534	-	-	242 798	117 630	218 827	145 069	145 069	-	109 802	213 177	1 465 906
Unemployment insurance	2 125	531	177	2 125	1 063	2 195	1 240	1 240	177	1 063	2 125	14 061
	<b>2 550 366</b>	<b>814 330</b>	<b>81 982</b>	<b>2 047 172</b>	<b>1 255 607</b>	<b>2 047 584</b>	<b>1 231 260</b>	<b>1 305 526</b>	<b>81 982</b>	<b>974 469</b>	<b>1 776 335</b>	<b>14 166 613</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand

### 34. Employee related cost (continued)

#### Company - 2023

	Municipal manager	Chief financial officer	Director Strategic, Planning, Monitoring and Evaluation	Director Community Services	Director Energy Services	Director Planning and Economic Development	Director Transportation Services	Director Water and Sanitation	Director Corporate and Shared Services	Deputy Chief Financial Officer	Total
Basic salary	1 360 990	1 191 164	562 067	509 845	1 293 234	724 544	12 664	16 885	1 013 299	1 011 274	7 695 966
Service-related benefits	43 934	46 841	479 232	46 209	-	232 825	95 094	269 506	531 055	-	1 744 696
Allowances	528 000	787 912	222 706	199 209	490 685	260 974	21 089	28 261	502 768	489 899	3 531 503
Medical	35 392	52 967	-	25 035	-	25 205	-	-	-	-	138 599
Pension	242 729	-	80 375	98 072	237 587	105 119	-	-	56 848	182 029	1 002 759
Unemployment insurance	2 125	2 125	1 063	1 063	2 125	1 594	177	177	1 594	2 125	14 168
	<b>2 213 170</b>	<b>2 081 009</b>	<b>1 345 443</b>	<b>879 433</b>	<b>2 023 631</b>	<b>1 350 261</b>	<b>129 024</b>	<b>314 829</b>	<b>2 105 564</b>	<b>1 685 327</b>	<b>14 127 691</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 34. Employee related cost (continued)

Additional information on acting allowances:

#### 2024

1. Included in the allowances for the Chief Financial Officer's salary is an amount of R162 541 for acting allowance. The acting allowance was paid to the Deputy Chief Financial Officer for the period 1 July 2023 to 30 June 2024 (1 year) in which he acted.

2. Included in the allowances for the Director Strategic, Planning, Monitoring and Evaluation's salary is an amount of R81 804 for acting allowance. The acting allowance was paid to the Manager: Performance Management System for the period 1 July 2023 to 30 June 2024 (1 year) in which he acted.

3. Included in the allowances for the Director Transportation Service's salary is an amount of R57 747 for acting allowance. The acting allowance was paid to the Manager: Public Transport Regulations for the period 1 July 2023 to 30 November 2023 (5 months) in which he acted.

4. Included in the allowances for the Director Water and Sanitation's salary is an amount of R132 014 for acting allowance. The acting allowance was paid to the Assistant Manager: Water and Sanitation for the period 1 July 2023 to 30 November 2023 (5 months) in which he acted.

5. Included in the allowances for the Director Corporate and Shared Services's salary is an amount of R81 805 for acting allowance. The acting allowance was paid to the Manager: Office of the Municipal Manager for the period 1 July 2023 to 30 June 2024 (1 year) in which he acted.

6. Included in the allowances for the Director Energy Services' salary is an amount of R38 749 for acting allowance. The acting allowance was paid to the Manager: Energy Services for the period 1 January 2024 to 30 June 2024 (6 months) in which he acted.

#### 2023 -

1. Included in the allowances for the Municipal Manager's salary is an amount of R25 843 for acting allowance. The acting allowance was paid to the Chief Financial Officer for the period 1 July 2022 to 31 July 2022 (1 month) in which he acted. Director: Community Services received a backpay in December 2022 for the period in which he acted.

2. Included in the allowances for the Chief Financial Officer's salary is an amount of R46 841 for acting allowance. The acting allowance was paid to the Deputy Chief Financial Officer for the period 1 July 2022 to 31 July 2022 (1 month) and from 1 May 2023 to 30 June 2023 (2 months) in which he acted.

3. Included in the allowances for the Director: Community Services' salary is an amount of R46 208 for acting allowance. The acting allowance was paid to Manager: Environmental Services for the period 1 July 2022 to 31 December 2022 (6 months) in which he acted.

4. Included in the allowances for the Director: Transportation Services' salary is an amount of R95 094 for acting allowance. The acting allowance was paid to Manager: Public Transport Regulations for the period 1 July 2022 to 30 June 2023 (12 months) in which he acted.

5. Included in the allowances for the Director: Water and Sanitation's salary is an amount of R269 506 for acting allowance. The acting allowance was paid to Assistant Manager: Water and Sanitation for the period 1 July 2022 to 30 June 2023 (12 months) in which he acted.

6. Included in the allowances for the Director: Corporate Service's salary is an amount of R16 904 for acting allowance. The acting allowance was paid to Deputy Chief Financial Officer for the period 1 April 2023 to 30 April 2023 (1 month); as well as Manager: Office of the Municipal Manager for the period 1 May 2023 to 30 June 2023 (2 months) in which they acted.

7. Included in the allowances for the Director: Strategic Planning, Monitoring and Evaluation's salary is an amount of R47 820 for acting allowance. The acting allowances were paid to Manager: Project Management and Manager: Performance Management for the periods 1 December 2022 to 30 April 2023 (5 months) and 1 May 2023 to 30 June 2023 (2 months), respectively, in which they acted.

8. Included in the allowances for the Director: Planning and Economic Development's salary is an amount of R46 930 for

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 34. Employee related cost (continued)

acting allowance. The acting allowance was paid to Manager: Planning and Economic Development for the period 7 August 2022 to 31 January 2023 (6 months) in which he acted.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>34. Employee related cost (continued)</b>				
<b>34.2 Municipal staff costs</b>				
Basic salary	592 529 961	567 864 751	585 142 012	561 289 740
Bonuses	568 751	410 363	-	-
Service-related benefits	220 418 740	226 892 147	220 013 816	226 286 591
Allowances	66 387 887	65 878 836	65 185 363	65 103 803
Bargaining council	259 599	251 264	258 650	250 419
Medical	49 828 090	45 528 803	49 335 372	45 068 515
Pension	115 072 274	109 240 994	113 796 287	108 228 605
Post-retirement benefit: Medical	37 257 000	32 363 000	37 257 000	32 363 000
Post-retirement benefit: Pension	14 344 000	14 666 000	14 344 000	14 666 000
Unemployment insurance	4 831 599	4 678 595	4 783 129	4 631 819
<b>Total</b>	<b>1 101 497 901</b>	<b>1 067 774 753</b>	<b>1 090 115 629</b>	<b>1 057 888 492</b>

The executive director emoluments of the municipal entity are included in the above municipal staff costs.

This can be analysed as follows:

2024	Basic salary	Medical aid	Provident fund	UIF & SDL	Total
Chief Executive Officer	579 827	36 258	56 611	7 944	680 640
Acting Chief Executive Officer - T.M Mashego	76 304	-	-	1 131	77 435
	<b>656 131</b>	<b>36 258</b>	<b>56 611</b>	<b>9 075</b>	<b>758 075</b>
2023	Basic salary	Medical aid	Provident fund	UIF & SDL	Total
Chief Executive Officer	1 171 578	73 238	105 304	16 729	1 366 849

The CEO's contract on 30 November 2023 marking the conclusion of his tenure with the municipal entity. As a result, the entity has initiated the process of appointing a new CEO. In the interim, Ms Molatelo Mashego has been seconded by the parent municipality to act as CEO.

### 34.3 Board members and entities costs

#### Group - 2024

	MJ Gololo	AM Kgosana	SM Mashabela	SM Vilakazi	O Galane	Other expenditure relating to directors	Total
Directors fees	64 589	64 589	247 353	64 589	64 589	-	505 709
Travel	-	-	3 604	-	-	-	3 604
Other	-	-	-	-	-	8 101	8 101
<b>Total</b>	<b>64 589</b>	<b>64 589</b>	<b>250 957</b>	<b>64 589</b>	<b>64 589</b>	<b>8 101</b>	<b>517 414</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company				
	2024	2023	2024	2023			
<b>34. Employee related cost (continued)</b>							
<b>Group - 2023</b>							
	MJ Gololo	AM Kgosana	SM Mashabela	SM Vilakazi	O Galane	Other expenditure relating to directors	Total
Directors fees	161 473	145 325	418 597	145 325	177 619	-	1 048 339
Travel	224	894	4 698	294	46	-	6 156
Other	-	-	-	-	-	50 171	50 171
<b>Total</b>	<b>161 697</b>	<b>146 219</b>	<b>423 295</b>	<b>145 619</b>	<b>177 665</b>	<b>50 171</b>	<b>1 104 666</b>

### 35. Remuneration of councillors

Executive Mayor/Mayor	35.1	1 206 341	1 151 406	1 206 341	1 151 406
Chief whip	35.2	917 103	877 065	917 103	877 065
Speaker	35.3	977 711	931 900	977 711	931 900
Executive committee	35.4	7 268 995	6 903 830	7 268 995	6 903 830
Section 79 committee chairperson	35.5	5 659 033	1 847 098	5 659 033	1 847 098
All other councillors	35.6	27 847 968	29 672 321	27 847 968	29 672 321
<b>Total</b>		<b>43 877 151</b>	<b>41 383 620</b>	<b>43 877 151</b>	<b>41 383 620</b>

#### 35.1 Executive Mayor/Mayor

##### Allowances and service related benefits

Basic salary	942 274	876 569	942 274	876 569
Cell phone allowance	45 400	40 800	45 400	40 800
In-kind benefits	3 991	7 500	3 991	7 500
Motor vehicle allowance	-	372	-	372
Medical aid benefits	73 335	94 680	73 335	94 680
Pension fund contributions	141 341	131 485	141 341	131 485
<b>Total</b>	<b>1 206 341</b>	<b>1 151 406</b>	<b>1 206 341</b>	<b>1 151 406</b>

#### 35.2 Chief whip

##### Allowances and service related benefits

Basic salary	565 899	540 499	565 899	540 499
Cell phone allowance	45 400	40 800	45 400	40 800
In-kind benefits	3 991	7 500	3 991	7 500
Motor vehicle allowance	216 928	207 191	216 928	207 191
Pension fund contributions	84 885	81 075	84 885	81 075
<b>Total</b>	<b>917 103</b>	<b>877 065</b>	<b>917 103</b>	<b>877 065</b>

#### 35.3 Speaker

##### Allowances and service related benefits

Basic salary	605 355	576 261	605 355	576 261
Cell phone allowance	45 492	40 800	45 492	40 800
In-kind benefits	4 008	7 500	4 008	7 500
Motor vehicle allowance	232 053	219 798	232 053	219 798
Travelling allowance	-	1 102	-	1 102
Pension fund contributions	90 803	86 439	90 803	86 439
<b>Total</b>	<b>977 711</b>	<b>931 900</b>	<b>977 711</b>	<b>931 900</b>



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>35. Remuneration of councillors (continued)</b>				
<b>35.4 Executive committee</b>				
<b>Allowances and service related benefits</b>				
Basic salary	4 571 818	4 315 646	4 571 818	4 315 646
Cell phone allowance	454 092	408 000	454 092	408 000
In-kind benefits	39 859	67 329	39 859	67 329
Motor vehicle allowance	1 385 830	1 319 619	1 385 830	1 319 619
Medial aid benefits	133 833	145 889	133 833	145 889
Pension fund contributions	683 563	647 347	683 563	647 347
<b>Total</b>	<b>7 268 995</b>	<b>6 903 830</b>	<b>7 268 995</b>	<b>6 903 830</b>
<b>35.5 Section 79 committee chairperson</b>				
<b>Allowances and service related benefits</b>				
Basic salary	3 636 877	1 382 502	3 636 877	1 382 502
Cell phone allowance	453 000	122 400	453 000	122 400
In-kind benefits	39 869	21 083	39 869	21 083
Motor vehicle allowance	935 205	113 738	935 205	113 738
Medical aid benefits	56 101	-	56 101	-
Pension fund contributions	537 981	207 375	537 981	207 375
<b>Total</b>	<b>5 659 033</b>	<b>1 847 098</b>	<b>5 659 033</b>	<b>1 847 098</b>
<b>35.6 All other councillors</b>				
<b>Allowances and service related benefits</b>				
Basic salary	17 565 283	18 889 367	17 565 283	18 889 367
Cell phone allowance	3 202 952	3 168 691	3 202 952	3 168 691
In-kind benefits	265 565	556 007	265 565	556 007
Motor vehicle allowance	4 408 558	4 417 159	4 408 558	4 417 159
Medial aid benefits	70 094	80 710	70 094	80 710
Pension fund contributions	2 335 516	2 560 387	2 335 516	2 560 387
<b>Total</b>	<b>27 847 968</b>	<b>29 672 321</b>	<b>27 847 968</b>	<b>29 672 321</b>
<b>36. Bad debts</b>				
Other write offs	-	69 232 187	-	69 232 187
<b>37. Debt impairment</b>				
Receivables from non exchange transactions	5	153 545 960	59 957 860	153 545 960
Receivables from exchange transactions	3&5	199 703 044	189 366 687	194 223 262
<b>Total</b>		<b>353 249 004</b>	<b>249 324 547</b>	<b>347 769 222</b>
<b>38. Depreciation and amortisation</b>				
<b>Amortisation</b>				
Intangible assets	12.1	2 556 545	3 588 215	2 549 448
<b>Depreciation</b>				
Property, plant and equipment		1 152 441 599	726 970 633	1 144 163 565
<b>Total</b>		<b>1 154 998 144</b>	<b>730 558 848</b>	<b>1 146 713 013</b>
<b>39. Interest, dividends and rent on land</b>				
Interest	39.1	50 808 399	57 837 288	50 808 399

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>39. Interest, dividends and rent on land (continued)</b>				
<b>39.1 Interest cost</b>				
Financial liabilities				
• Government loans				
Finance leases	19.1			
Interest costs non-current provisions	21			
Overdue accounts	16.6			
<b>Total</b>	<b>50 808 399</b>	<b>57 837 288</b>	<b>50 808 399</b>	<b>57 837 288</b>
<b>40. Bulk purchases</b>				
Electricity: Eskom	1 018 199 330	856 611 259	1 018 199 332	856 611 259
<b>40.1 Electricity losses</b>				
<b>Group</b>				
	2024		2023	
	KHW	Amount	KHW	Amount
Units purchased	599 488 310	1 018 199 332	590 229 916	856 611 259
Units sold	(526 244 124)	(893 797 938)	(528 705 467)	(767 319 723)
<b>Total loss</b>	<b>73 244 186</b>	<b>124 401 394</b>	<b>61 524 449</b>	<b>89 291 536</b>
<b>Percentage loss:</b>				
Distribution loss	12.22 %	12.22 %	10.42 %	10.42 %
<b>Company</b>				
	2024		2023	
	KHW	Amount	KHW	Amount
Units purchased	599 488 310	1 018 199 332	590 229 916	856 611 259
Units sold	(526 244 124)	(893 797 938)	(528 705 467)	(767 319 723)
<b>Total loss</b>	<b>73 244 186</b>	<b>124 401 394</b>	<b>61 524 449</b>	<b>89 291 536</b>
<b>Percentage loss:</b>				
Distribution loss	12.22 %	12.22 %	10.42 %	10.42 %
<b>40.2 Water losses</b>				
<b>Group</b>				
	2024		2023	
	KL	Amount	KL	Amount
Units purchased	30 740 146	282 146 627	29 795 664	241 391 091
Units sold	(23 271 283)	(213 640 330)	(18 998 294)	(153 947 963)
<b>Total loss</b>	<b>7 468 863</b>	<b>68 506 297</b>	<b>10 797 370</b>	<b>87 443 128</b>
<b>Percentage loss:</b>				
Distribution losses	24.00 %	24.00 %	36.00 %	36.00 %

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>40. Bulk purchases (continued)</b>				
<b>Company</b>				
	2024		2023	
	KL	Amount	KL	Amount
Units purchased	30 740 146	282 146 627	29 795 664	241 391 091
Units sold	(23 271 283)	(213 640 330)	(18 998 294)	(153 947 963)
<b>Total loss</b>	<b>7 468 863</b>	<b>68 506 297</b>	<b>10 797 370</b>	<b>87 443 128</b>
<b>Percentage loss:</b>				
Distribution losses	24.00 %	24.00 %	36.00 %	36.00 %
<b>41. Inventory consumed</b>				
Materials and supplies	62 655 795	72 083 926	62 655 795	72 083 926
Water	213 043 546	153 772 783	213 043 546	153 772 783
<b>Total</b>	<b>275 699 341</b>	<b>225 856 709</b>	<b>275 699 341</b>	<b>225 856 709</b>
<b>42. Contracted services</b>				
Consultants and professional services	42.1	300 311 301	282 858 272	299 764 291
Contractors	42.2	249 595 627	259 063 006	249 095 880
Outsourced services	42.3	416 350 360	314 045 199	412 830 757
<b>Total</b>		<b>966 257 288</b>	<b>855 966 477</b>	<b>961 690 928</b>
<b>42.1 Consultants and professional services</b>				
<b>Business advisory services</b>				
Accounting and auditing		24 924 144	18 954 388	24 377 536
Audit committee		990 927	1 040 705	990 927
Business and financial management		42 085 995	39 510 865	42 085 995
Commissions and committees		395 183	279 832	395 183
Communications		12 445 298	8 282 773	12 445 298
Credit rating agencies		402	-	-
Project management		15 536 429	16 759 187	15 536 429
Quality control		2 660 462	2 412 844	2 660 462
Research and advisory		9 850 389	3 970 167	9 850 389
<b>Total business advisory services</b>		<b>108 889 229</b>	<b>91 210 761</b>	<b>108 342 219</b>
<b>Laboratory services</b>				
Water		24 164 468	45 751 469	24 164 468
<b>Legal services</b>				
Legal advice and litigation		31 559 039	25 110 408	31 559 039
<b>Engineering services</b>				
Civil engineering		134 328 576	119 296 675	134 328 576
<b>Infrastructure and planning services</b>				
Town planner infrastructure and planning		1 369 989	1 488 959	1 369 989
<b>Total consultants and professional services</b>		<b>300 311 301</b>	<b>282 858 272</b>	<b>299 764 291</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>42. Contracted services (continued)</b>				
<b>42.2 Contractors</b>				
<b>General services</b>				
Electrical	24 863 746	28 044 413	24 863 746	28 044 413
Employee wellness	236 240	227 340	236 240	227 340
Event promoters	482 645	188 994	482 645	188 994
Fire protection	3 038 071	3 450 830	3 038 071	3 450 830
First aid	379 683	1 034 338	379 683	1 034 338
Forestry	14 009	14 629	14 009	14 629
Gardening services	4 602 370	2 736 948	4 602 370	2 736 948
Grading of sport fields	457 602	318 842	457 602	318 842
Management of informal settlements	-	114 295	-	114 295
Safeguard and security	11 552 262	10 133 375	11 552 262	10 133 375
Sewerage services	34 744 102	40 662 095	34 744 102	40 662 095
Transportation	40 662 141	49 375 472	40 662 141	49 375 472
<b>Total general services</b>	<b>121 032 871</b>	<b>136 301 571</b>	<b>121 032 871</b>	<b>136 301 571</b>
<b>Maintenance services</b>				
Maintenance of buildings and facilities	46 251 466	34 022 141	45 751 719	33 910 004
Maintenance of equipment	36 480 507	54 554 701	36 480 507	54 554 701
Maintenance of other assets	45 830 783	34 184 593	45 830 783	34 184 593
<b>Total maintenance service</b>	<b>128 562 756</b>	<b>122 761 435</b>	<b>128 063 009</b>	<b>122 649 298</b>
<b>Total contractor</b>	<b>249 595 627</b>	<b>259 063 006</b>	<b>249 095 880</b>	<b>258 950 869</b>
<b>42.3 Outsourced services</b>				
<b>Business and advisory services</b>				
Business and Financial Management	2 608 567	-	2 608 567	-
Commissions and Committees	80 410 400	57 740 008	80 410 400	57 740 008
Communications	5 056 898	5 559 995	5 056 898	5 559 995
Human Resources	364 560	395 619	364 560	395 619
Valuer	6 612 255	1 682 804	6 612 255	1 682 804
<b>Total business and advisory services</b>	<b>95 052 680</b>	<b>65 378 426</b>	<b>95 052 680</b>	<b>65 378 426</b>
<b>General services</b>				
Animal Care	915 880	1 464 248	915 880	1 464 248
Burial Services	2 125 212	273 779	2 125 212	273 779
Catering Services	2 049 539	3 496 735	2 049 539	3 496 735
Cleaning Services	7 267 151	1 111 507	7 267 151	1 111 507
Clearing and Grass Cutting Services	2 311 585	2 708 196	2 311 585	2 708 196
Hygiene Services	667 833	1 322 979	667 833	1 322 979
Medical Services [Medical Health Services & Support]	-	124 545	-	124 545
Meter Management	13 603 036	7 216 467	13 603 036	7 216 467
Personnel and Labour	59 223 675	47 809 201	59 223 675	47 809 201
Refuse Removal	82 938 874	68 400 513	82 938 874	68 400 513
Removal of Structures and Illegal Signs	434 010	-	434 010	-
Sewerage Services	8 468 283	-	8 468 283	-
Translators, Scribes and Editors	15 500	11 200	15 500	11 200
Transport Services	47 933 831	45 887 944	47 933 831	45 887 944
<b>Total general services</b>	<b>227 954 409</b>	<b>179 827 314</b>	<b>227 954 409</b>	<b>179 827 314</b>
<b>Trading services</b>				
Connection/Dis-connection: Electricity	2 301	68	2 301	68
Electrical	7 735	-	7 735	-
Security Services	93 333 235	68 839 391	89 813 632	66 193 388
<b>Total trading services</b>	<b>93 343 271</b>	<b>68 839 459</b>	<b>89 823 668</b>	<b>66 193 456</b>

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company		
	2024	2023	2024	2023	
<b>42. Contracted services (continued)</b>					
<b>Total outsourced services</b>	<b>416 350 360</b>	<b>314 045 199</b>	<b>412 830 757</b>	<b>311 399 196</b>	
<b>43. Transfers and subsidies - Expenditure</b>					
<b>Operational</b>					
Monetary allocations	43.1	480 000	480 000	15 480 000	9 671 404
<b>43.1 Monetary allocations: Operational</b>					
Municipal Entities		-	-	15 000 000	9 191 404
Non-profit institutions		480 000	480 000	480 000	480 000
<b>Total</b>		<b>480 000</b>	<b>480 000</b>	<b>15 480 000</b>	<b>9 671 404</b>
<b>44. Operational cost</b>					
Advertising, Publicity and Marketing		46 020 037	26 460 835	45 976 485	26 409 470
Bank Charges, Facility and Card Fees		7 221 534	5 906 560	7 188 120	5 870 081
Bursaries (Employees)		1 321 823	2 518 454	1 321 823	2 518 454
Commission		421 132	159 958	421 132	159 958
Communication		16 225 086	17 743 856	16 225 086	17 743 856
Contribution to Provisions		-	1	-	1
Deeds		884	-	884	-
Drivers Licences and Permits		550	525	550	525
Entrance Fees		52 413	26 025	52 413	26 025
External Audit Fees		15 689 449	17 390 021	14 307 681	16 190 028
External Computer Service		24 640 081	24 580 271	24 640 081	24 580 271
Firearm Handling Fees		14 260	-	14 260	-
Hire Charges		2 339 789	8 209 438	2 339 789	8 209 438
Indigent Relief		14 549 282	14 753 530	14 549 282	14 753 530
Insurance Underwriting		43 083 388	29 160 914	42 827 931	28 941 519
Learnerships and Internships		1 274 855	5 544 197	1 274 855	5 544 197
Management Fee		141 100	171 459	141 100	171 459
Municipal Services		4 149 184	4 699 860	4 149 184	4 699 860
Office Decorations		-	768	-	-
Printing, Publications and Books		307 449	134 359	305 606	129 616
Professional Bodies, Membership and Subscription		12 111 051	11 240 277	12 058 449	11 194 977
Registration Fees		4 632 237	4 255 034	4 599 530	4 221 458
Remuneration to Ward Committees		8 764 871	7 103 775	8 764 871	7 103 775
Legal Fees		2 147 847	407 240	-	-
Signage		612 337	-	612 337	-
Skills Development Fund Levy		9 549 046	9 537 990	9 456 836	9 458 946
System Access and Information Fees		278 065	804 070	242 608	716 900
Toll Gate Fees		83 972	69 120	83 972	69 120
Travel Agency and Visa's		3 826 969	2 989 251	3 826 969	2 989 251
Travel and Subsistence		1 950 884	1 787 675	1 920 829	1 582 353
Uniform and Protective Clothing		19 443 182	11 297 708	19 407 902	11 297 708
Wet Fuel		46 836 237	61 939 578	46 836 237	61 939 578
Workmen's Compensation Fund		7 380 661	5 170 971	7 380 661	5 170 971
<b>Total</b>		<b>295 069 655</b>	<b>274 063 720</b>	<b>290 927 463</b>	<b>271 693 325</b>
<b>45. Gain/(Loss) on disposal of fixed and intangible assets</b>					
Gains/(losses) on disposals	45.1	2 994 243	(583 009 739)	3 005 871	(583 009 739)

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>45. Gain/(Loss) on disposal of fixed and intangible assets (continued)</b>				
<b>45.1 Gains/(losses) on disposals</b>				
Investment property	-	(5 899 998)	-	(5 899 998)
Property, plant and equipment	2 994 243	(575 010 422)	3 005 871	(575 010 422)
Living resources	-	(2 099 319)	-	(2 099 319)
<b>Total</b>	<b>2 994 243</b>	<b>(583 009 739)</b>	<b>3 005 871</b>	<b>(583 009 739)</b>
<b>Analysis of Gains/(losses) on property, plant and equipment</b>				
Loss on disposal	2 994 243	(7 537 657)	3 005 871	(7 537 657)
Revaluation loss	-	(567 472 765)	-	(567 472 765)
<b>Total</b>	<b>2 994 243</b>	<b>(575 010 422)</b>	<b>3 005 871</b>	<b>(575 010 422)</b>
<b>46. Fair value adjustment</b>				
Biological assets	716 583	57 875	716 583	57 875
Investment property	27 931 249	49 452 050	27 931 249	49 452 050
Living resources	2 238 232	6 148 752	2 238 232	6 148 752
Actuarial Assessments	30 675 955	69 485 677	30 675 955	69 485 677
<b>Total</b>	<b>61 562 019</b>	<b>125 144 354</b>	<b>61 562 019</b>	<b>125 144 354</b>
<b>47. Inventory (write down)</b>				
Inventory	(9 278 544)	(792 800)	(9 278 544)	(792 800)
Water losses	(68 506 297)	(87 344 085)	(68 506 297)	(87 344 085)
<b>Total</b>	<b>(77 784 841)</b>	<b>(88 136 885)</b>	<b>(77 784 841)</b>	<b>(88 136 885)</b>
<b>48. Impairment loss / (reversals)</b>				
Intangible assets	12.1	907 702	-	907 702
Property, plant and equipment		52 914 180	31 150 752	44 445 021
<b>Total</b>		<b>53 821 882</b>	<b>31 150 752</b>	<b>45 352 723</b>
<b>31 148 802</b>				
<b>49. Auditors remuneration</b>				
External Audit Fees		15 689 449	17 390 021	14 307 681
				16 190 028

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>50. Net cash from/(used) operating activities</b>				
Deficit for the year	(79 795 461)	(352 116 646)	(67 165 000)	(345 360 321)
<b>Adjustments for:</b>				
Depreciation and amortisation	1 154 998 144	730 558 848	1 146 713 013	724 406 075
Bad debts written off	5 479 782	73 918 240	-	69 232 187
(Gains) / Losses on disposal of assets	(2 994 243)	583 009 739	(3 005 871)	583 009 739
Fair value adjustment	(30 886 064)	(55 658 677)	(30 886 064)	(55 658 677)
Impairment loss	53 821 882	31 150 752	45 352 723	31 148 802
Inventory losses	77 784 841	88 136 885	77 784 841	88 136 885
Capital assets donated	(3 982 090)	(576 297)	(3 982 090)	(576 297)
<b>Movement in working capital</b>				
(Increase) / Decrease in receivables	(63 838 565)	(41 170 835)	(58 678 115)	(37 233 063)
(Increase) / Decrease in inventory	(96 597 931)	(59 479 374)	(96 597 931)	(59 479 374)
Increase / (Decrease) in Provisions	23 854 137	(19 043 031)	23 820 956	(19 413 942)
Increase / (Decrease) in VAT	13 617 053	(29 030 632)	13 617 053	(29 030 632)
Increase / (Decrease) in trade and other payables	17 853 343	(232 758 622)	18 466 669	(233 958 875)
Increase / (Decrease) in unspent conditional grants and receipts trade and other payable non-exchange transactions	(9 036 399)	(130 036 255)	(9 036 400)	(130 036 254)
<b>Net cash flows from operating activities</b>	<b>1 060 278 429</b>	<b>586 904 095</b>	<b>1 056 403 784</b>	<b>585 186 253</b>

## 51. Financial instruments

### 51.1 Fair value of financial instruments

The management of the group is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the audited annual financial statements approximate their fair values. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of financial position, are as follows:

#### Group

<b>Financial assets</b>				
<b>Amortised cost</b>				
Trade and other receivables from exchange transactions	3	862 244 589	862 244 589	769 687 292
Other receivables from exchange transactions		16 607 143	16 607 143	33 771 123
Receivables from non exchange transactions		328 675 854	328 675 854	345 710 314
Cash and cash equivalents	2	345 429 844	345 429 844	187 784 673
VAT receivable		14 013 278	14 013 278	47 824 737
		<b>1 566 970 708</b>	<b>1 566 970 708</b>	<b>1 384 778 139</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
<b>Unsecured bank facilities:</b>				
Financial liabilities	19	332 266 184	332 266 184	352 265 231
<b>Trade and other payables:</b>				
Consumer deposits	15	67 479 006	67 479 006	68 587 999
Trade and other payables from exchange transactions	16	743 626 449	743 626 449	648 551 312
Current portion of financial liabilities	19	38 389 033	38 389 033	46 141 112
		<b>849 494 488</b>	<b>849 494 488</b>	<b>763 280 423</b>
<b>Total financial liabilities</b>		<b>1 181 760 672</b>	<b>1 181 760 672</b>	<b>1 115 545 654</b>
<b>Total financial instruments</b>		<b>385 210 036</b>	<b>385 210 036</b>	<b>269 232 485</b>

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 51. Financial instruments (continued)

#### Company

		2024		2023	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
<b>Amortised cost</b>					
Trade and other receivables from exchange transactions	3	861 879 737	861 879 737	769 003 183	769 003 183
Other receivables from exchange transactions		16 584 034	16 584 034	33 748 014	33 748 014
Receivables from non exchange transactions		328 668 305	328 668 305	345 702 765	345 702 765
Cash and cash equivalents	2	343 278 496	343 278 496	184 371 391	184 371 391
VAT receivable		14 013 278	14 013 278	47 824 737	47 824 737
Investment in associate		1 000	1 000	1 000	1 000
		<b>1 564 424 850</b>	<b>1 564 424 850</b>	<b>1 380 651 090</b>	<b>1 380 651 090</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
<b>Unsecured bank facilities:</b>					
Financial liabilities	19	332 266 184	332 266 184	352 265 231	352 265 231
<b>Trade and other payables:</b>					
Consumer deposits	15	65 469 909	65 469 909	66 794 150	66 794 150
Trade and other payables from exchange transactions	16	731 057 499	731 057 499	633 312 246	633 312 246
Current portion of financial liabilities	19	38 389 033	38 389 033	46 141 112	46 141 112
		<b>834 916 441</b>	<b>834 916 441</b>	<b>746 247 508</b>	<b>746 247 508</b>
<b>Total financial liabilities</b>		<b>1 167 182 625</b>	<b>1 167 182 625</b>	<b>1 098 512 739</b>	<b>1 098 512 739</b>
<b>Total financial instruments</b>		<b>397 242 225</b>	<b>397 242 225</b>	<b>282 138 351</b>	<b>282 138 351</b>

The fair values of financial assets and financial liabilities are determined as follows:

Fair values for financial assets are based on quoted market prices in active markets for an identical instrument.

For financial liabilities the contractual undiscounted cash flow is used. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### 51.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council. The Group manages liquidity risk by effectively managing its working capital, capital expenditure, external borrowings and cash flows.

#### Group - 30 June 2024

	Within 1 year	2 to 5 years	5 years +	Total
<b>Maturity analysis</b>				
Borrowings - capital repayments	27 778 472	193 564 670	126 345 361	347 688 503
Borrowings - interest	37 145 580	131 055 593	20 528 408	188 729 581
Trade and other payables	743 626 449	-	-	743 626 449
Finance lease - capital repayments - cellphones	5 303 524	274 796	-	5 578 320
Finance lease - capital repayments - photocopiers	5 307 037	12 081 364	-	17 388 401
Finance lease - interest - cellphones	493 672	12 828	-	506 500
Finance lease - interest - photocopiers	1 763 363	1 470 236	-	3 233 599
	<b>821 418 097</b>	<b>338 459 487</b>	<b>146 873 769</b>	<b>1 306 751 353</b>



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 51. Financial instruments (continued)

#### Group - 30 June 2023

	Within 1 year	2 to 5 years	5 years +	Total
<b>Maturity analysis</b>				
Borrowings - capital repayments	25 088 399	174 036 420	173 652 083	372 776 902
Borrowings - interest	39 835 654	150 583 843	38 145 738	228 565 235
Trade and other payables	648 551 312	-	-	648 551 312
Finance lease - capital repayments - vehicles	12 906 261	-	-	12 906 261
Finance lease - capital repayments - cellphones	4 626 243	4 576 736	-	9 202 979
Finance lease - capital repayments - photocopiers	3 520 208	-	-	3 520 208
Finance lease - interest - vehicles	210 486	-	-	210 486
Finance lease - interest - cellphones	1 149 076	379 798	-	1 528 874
Finance lease - interest - photocopiers	210 656	-	-	210 656
	<b>736 098 295</b>	<b>329 576 797</b>	<b>211 797 821</b>	<b>1 277 472 913</b>

#### Company - 30 June 2024

	Within 1 year	2 to 5 years	5 years +	Total
<b>Maturity analysis</b>				
Borrowings - capital repayments	27 778 472	193 564 670	126 345 361	347 688 503
Borrowings - interest	37 145 580	131 055 593	20 528 408	188 729 581
Trade and other payables	731 057 499	-	-	731 057 499
Finance lease - capital repayments - cellphones	5 303 524	274 796	-	5 578 320
Finance lease - capital repayments - photocopiers	5 307 037	12 081 364	-	17 388 401
Finance lease - interest - cellphones	493 672	12 828	-	506 500
Finance lease - interest - photocopiers	1 763 363	1 470 236	-	3 233 599
	<b>808 849 147</b>	<b>338 459 487</b>	<b>146 873 769</b>	<b>1 294 182 403</b>

#### Company - 30 June 2023

	Within 1 year	2 to 5 years	5 years +	Total
<b>Maturity analysis</b>				
Borrowings - capital repayments	25 088 399	174 036 420	173 652 083	372 776 902
Borrowings - interest	39 835 654	150 583 843	38 145 738	228 565 235
Trade and other payables	633 312 246	-	-	633 312 246
Finance lease - capital repayments - vehicles	12 906 261	-	-	12 906 261
Finance lease - capital repayments - cellphones	4 626 243	4 576 736	-	9 202 979
Finance lease - capital repayments - photocopiers	3 520 208	-	-	3 520 208
Finance lease - interest - vehicles	210 486	-	-	210 486
Finance lease - interest - cellphones	1 149 076	379 798	-	1 528 874
Finance lease - interest - photocopiers	210 656	-	-	210 656
	<b>720 859 229</b>	<b>329 576 797</b>	<b>211 797 821</b>	<b>1 262 233 847</b>

### 51.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 51. Financial instruments (continued)

The Group manages credit risk in its borrowing and investing activities by only dealing with well-established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the Group's credit control and debt collection policy. The Group's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in the accounting policies and Note 3&5 to the audited annual financial statements.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group 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 carrying amount of financial assets recorded in the unaudited consolidated annual financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Trade and other receivables from exchange transactions	3	862 244 589	769 687 292	861 879 737	769 003 183
Bank and cash balances	2	345 429 844	187 784 673	343 278 496	184 371 391
<b>Maximum credit and interest risk exposure</b>		<b>1 207 674 433</b>	<b>957 471 965</b>	<b>1 205 158 233</b>	<b>953 374 574</b>

### 52. Contingent assets and liabilities

#### Contingent liabilities

Public liability claims	33 457 848	39 574 287	33 457 848	39 574 287
Services rendered	12 991 314	30 992 678	12 991 314	30 992 678
Breach of contract	70 021 431	81 242 274	70 021 431	81 242 274
General damages	17 813 099	121 632 193	17 813 099	121 632 193
	<b>134 283 692</b>	<b>273 441 432</b>	<b>134 283 692</b>	<b>273 441 432</b>

#### Contingent assets

Breach of contract	14 095 040	14 095 040	14 095 040	14 095 040
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The above legal matters are ongoing and have not yet been finalised.

#### The nature of contingent liabilities are as follows:

**Public liability claims:** These are claims against the municipality, which are handled through municipal insurance, relating to motor vehicle accidents, unlawful arrests, and damages caused by municipal infrastructure.

**Service rendered:** These are claims against the municipality for non payment of alleged services rendered.

**Breach of contract:** These are claims against the municipality that relate to disagreements on the interpretations of contracts.

**General damages:** These are claims against the municipality relating to motor vehicle accidents, unlawful arrests, and damages caused by municipal infrastructure. These cases are handled through the municipality's appointed attorneys.

#### The nature of contingent assets are as follows:

**Breach of contract:** These are claims in which the municipality is a plaintiff. The municipality is claiming for monies collected on behalf of the municipality by service providers and never paid over.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>53. Unauthorised, irregular, fruitless and wasteful expenditure</b>				
<b>53.1 Unauthorised expenditure</b>				
Opening balance as previously reported	1 631 926 182	1 669 131 938	1 631 926 182	1 669 131 938
Add: Unauthorised expenditure – current	941 373 538	1 040 556 582	932 058 521	1 040 556 582
Less: Amounts written-off – current	(2 290 309 252)	(1 077 762 333)	(2 290 309 252)	(1 077 762 333)
<b>Closing balance</b>	<b>282 990 468</b>	<b>1 631 926 187</b>	<b>273 675 451</b>	<b>1 631 926 187</b>

**The over expenditure incurred by the municipal departments during the year is attributable to the following categories**

Non cash items	941 373 538	1 040 556 582	932 058 521	1 040 556 582
Cash items	-	-	-	-
	<b>941 373 538</b>	<b>1 040 556 582</b>	<b>932 058 521</b>	<b>1 040 556 582</b>

**Analysed as follows: non cash items**

Depreciation and amortisation	721 938 690	278 769 931	721 104 460	278 769 931
Inventories (consumed/issued/write-down)	77 498 913	88 136 885	77 498 913	88 136 885
Losses on disposal of assets	11 628	583 009 739	-	583 009 739
Impairment losses	53 821 882	31 148 803	45 352 723	31 148 803
Debt impairment	88 102 425	-	88 102 425	-
Bad debts written off	-	59 491 224	-	59 491 224
	<b>941 373 538</b>	<b>1 040 556 582</b>	<b>932 058 521</b>	<b>1 040 556 582</b>

The write off of R2 290 309 252 related to the unauthorised expenditure incurred. The write off was approved in Council Resolution number CR/58/07/24 and CR145/11/24.

**53.2 Irregular expenditure**

Opening balance as previously reported	289 639 713	262 322 692	268 377 676	241 163 582
Correction of prior period error	(19 049 843)	-	(19 049 843)	-
Irregular expenditure identified in the current year relating to FY2022-23	23 459 725	-	23 459 725	-
Irregular expenditure identified in the current year relating to FY2022-23	28 592 176	28 592 176	28 592 176	28 592 176
<b>Opening balance as restated</b>	<b>322 641 771</b>	<b>290 914 868</b>	<b>301 379 734</b>	<b>269 755 758</b>
Add: Irregular expenditure - current	399 969 606	255 808 363	399 460 502	255 808 363
Add: Irregular expenditure – prior period	-	23 562 652	-	23 459 725
Less: Overstatement of prior period irregular expenditure	-	(19 049 843)	-	(19 049 843)
Less: Amounts written-off – current	(561 266 719)	(228 594 269)	(561 266 719)	(228 594 269)
Less: Amounts written-off – prior period	(19 266 314)	-	-	-
<b>Closing balance</b>	<b>142 078 344</b>	<b>322 641 771</b>	<b>139 573 517</b>	<b>301 379 734</b>

Irregular expenditure incurred is due to non compliance with SCM regulations.

The council resolution number for the above write-off of irregular expenditure is CR/28/07/23; CR/156/01/24; CR/81/08/24 and CR/58/07/24.

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	2024	2023	2024	2023

### 53. Unauthorised, irregular, fruitless and wasteful expenditure (continued)

#### 53.3 Fruitless and wasteful expenditure

Opening balance as previously reported	17 619 446	17 619 446	17 125 046	17 125 046
Add: Fruitless and wasteful expenditure – current	6 105 151	-	6 105 151	-
Less: Amount recoverable – current	(16 680 253)	-	(16 680 253)	-
Less: Amounts written-off – current	(3 115 585)	-	(2 621 185)	-
<b>Closing balance</b>	<b>3 928 759</b>	<b>17 619 446</b>	<b>3 928 759</b>	<b>17 125 046</b>

Analysis of fruitless and wasteful expenditure incurred:

Interest on late payment to Workmen Compensation Fund	3 102 366	-	3 102 366	-
Payment for project standing time	3 002 785	-	3 002 785	-
<b>Total</b>	<b>6 105 151</b>	<b>-</b>	<b>6 105 151</b>	<b>-</b>

Fruitless and wasteful expenditure is incurred due to late payment to Department of Labour.

The council resolution number for the above write-off of fruitless and wasteful expenditure is CR/81/08/24.

### 54. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Infrastructure	1 065 652 989	1 023 105 879	1 065 652 989	1 023 105 879
• Other	17 720 150	-	13 798 797	-
	<b>1 083 373 139</b>	<b>1 023 105 879</b>	<b>1 079 451 786</b>	<b>1 023 105 879</b>

##### Total capital commitments

Already contracted for but not provided for	1 083 373 139	1 023 105 879	1 079 451 786	1 023 105 879
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#### Authorised operational expenditure

##### Already contracted for but not provided for

• Security expenditure	-	1 246 264	-	-
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##### Total operational commitments

Already contracted for but not provided for	-	1 246 264	-	-
---	---	-----------	---	---

#### Total commitments

##### Total commitments

Authorised capital expenditure	1 083 373 139	1 023 105 879	1 079 451 786	1 023 105 879
Authorised operational expenditure	-	1 246 264	-	-
	<b>1 083 373 139</b>	<b>1 024 352 143</b>	<b>1 079 451 786</b>	<b>1 023 105 879</b>

The commitment amount is disclosed inclusive of VAT.

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 55. Related party disclosures

#### 55.1 Nature of related party relationships

Related party: Councillors	Nature of relationship: Refer to General Information page
Director Ultimate company Company Controlled entities	Refer to Accounting Officer's report Polokwane Municipality Polokwane Municipality Polokwane Housing Association. Refer to the Related Party transactions note below as well as Note 13
Members of key management Councillor remuneration	Refer to Employee cost Note 34 Refer to Remuneration of Councillors Note 35

#### 55.2 Related party transactions

Compensation to councillors - Payments to councillors are for allowances as gazetted. Refer to Note 35 for remuneration of councillors.

Controlled entities - the municipality has exempted PHA from paying municipal rates and taxes.

There is a shared Internal Audit unit which performs the functions of internal audit for Polokwane Housing Association at no cost.

#### Revenue

Operational grant	15 000 000	9 191 404	15 000 000	9 191 404
Accounting fees paid on behalf of PHA - Munsoft	1 205 651	1 096 046	1 205 651	1 096 046
Accounting fees paid on behalf of PHA - MMB	2 118 792	1 071 823	2 118 792	1 071 823
	<b>18 324 443</b>	<b>11 359 273</b>	<b>18 324 443</b>	<b>11 359 273</b>

#### 55.3 Related party balances

##### Controlled entities

No guarantees were given or received.

There were no loans given or taken from Polokwane Housing Association during the year.

#### 55.4 Remuneration of management

##### Management class: Board members

Refer to Note 36 - Employee related costs

##### Management class: Councillors/mayoral committee members

Refer to Note 37 - Remuneration of councillors"

##### Management class: Executive management

Refer to note 36 "Employee related costs"

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 56. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the Group SCM regulations, any deviations from SCM policy needs to be approved by the director and noted by Council. The awards listed below have been approved by the director and noted by Council.

Nature and value of deviations from SCM Regulations granted during the reporting year:

Information technology	1 367 588	1 056 788	1 367 588	1 056 788
Membership and conferences	483 373	461 627	483 373	461 627
Deviations less than R200,000	1 151 743	934 110	1 151 743	934 110
Other	1 393 800	215 855	1 393 800	215 855
<b>Total amount approved by the director and noted by council</b>	<b>4 396 504</b>	<b>2 668 380</b>	<b>4 396 504</b>	<b>2 668 380</b>

The following deviations have been appointed on a rate basis:

- Legal
- Newspaper and radio advertisements

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the audited annual financial statements.

Prescribed procurement processes were not followed but was approved by the Municipal Manager in terms of delegated powers and in accordance with Supply Chain Management Regulations and Policy. Valid reasons for deviations were recorded in all instances

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>57. Principal-agent arrangements</b>				
<b>57.1 Group acting as the principal</b>				
SANRAL	421 132	159 958	421 132	159 958
Cigicell Pty Ltd	21 722 579	23 046 898	21 722 579	23 046 898
Park Point Pty Ltd	-	-	-	-
Easy Pay	2 436 669	2 450 884	2 436 669	2 450 884
	<b>24 580 380</b>	<b>25 657 740</b>	<b>24 580 380</b>	<b>25 657 740</b>

### SANRAL

The group is a party to a principal-agent arrangement with SANRAL, wherein the municipality acts as the principal.

SANRAL is entitled to 5% of the service fee.

No resources held at SANRAL are owned by the municipality. All resources that are utilised by SANRAL in support of the function is owned by SANRAL. Consequently, there will be no cost implications in the event of termination of the arrangement.

Fees paid as commission to the agent	421 132	159 958	421 132	159 958
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### Cigicell Pty Ltd

The group is a party to a principal-agent arrangement with Cigicell Pty Ltd, wherein the municipality acts as the principal.

Polokwane Municipality appointed Cigicell for vending of prepaid electricity and water to its Customers (third party); as well as the collection the payment of outstanding accounts on its behalf.

Cigicell Pty Ltd is entitled to 2.25% of the face value of the revenue collected via the vending system. Cigicell Pty Ltd is also entitled to an amount of between 1.5% to 3.7% of the money collected. This range is dependant on the payment method used.

No resources held at Cigicell Pty Ltd are owned by the municipality. All resources that are utilised by Cigicell Pty Ltd in support of the function is owned by Cigicell Pty Ltd. Consequently, there will be no cost implications in the event of termination of the arrangement.

Fees paid as commission to the agent	21 722 579	23 046 898	21 722 579	23 046 898
--------------------------------------	------------	------------	------------	------------

### Park Point Pty Ltd

The group is a party to a principal-agent arrangement with Park Point Pty Ltd, wherein the municipality acts as the principal.

Polokwane Municipality appointed Park Point for collection of parking fees from its customers (third party) on its behalf.

Park Point Pty Ltd is entitled to 75% of the face value of the revenue collected on street parking.

No resources held at Park Point Pty Ltd are owned by the municipality. All resources that are utilised by Park Point Pty Ltd in support of the function is owned by Park Point Pty Ltd. Consequently, there will be no cost implications in the event of termination of the arrangement.

### Reconciliation of amounts payable to Park Point Pty Ltd

Fees paid as commission to the agent	-	-	-	-
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No commission has been paid to the municipality since inception of the agreement.

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 57. Principal-agent arrangements (continued)

#### Easy Pay

The group is a party to a principal-agent arrangement with Easy Pay, wherein the municipality acts as the principal.

Polokwane Municipality appointed EasyPay for the collection of payments made by customers (third party) relating to outstanding accounts on its behalf. EasyPay is entitled to R7.17 per transaction of the receipts from customers via their system..

No resources held at EasyPay are owned by the municipality. All resources that are utilised by EasyPay in support of the function is owned by EasyPay. Consequently, there will be no cost implications in the event of termination of the arrangement..

#### Reconciliation of amounts payable to Easy Pay

Fees paid as commission to the agent	2 436 669	2 450 884	2 436 669	2 450 884
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Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>57. Principal-agent arrangements (continued)</b>				
<b>57.2 Group acting as the agent</b>				
Department of Transport	25 894 645	23 419 540	25 894 645	23 419 540
South African National Roads Agency Ltd	332 199	134 796	332 199	134 796
	<b>26 226 844</b>	<b>23 554 336</b>	<b>26 226 844</b>	<b>23 554 336</b>

The municipality is a party to two principal-agent arrangements:

- Department of Transport
- South African National Roads Agency

### Department of Transport

The group is the agent to the provincial Department of Transport.

The provincial government, through the respective provincial department of transport, is mandated to collect motor vehicle licenses on an annual basis. The provincial department of transport determines the fee that is payable annually by motor vehicle owners, which varies depending on the type of motor vehicle owned.

To make the payment of the motor vehicle licenses easier, the provincial departments entered into a contractual arrangement with the Polokwane municipality to undertake this activity on their behalf. In terms of the arrangement:

- The provincial department of transport issues the motor vehicle licence renewal form to the respective owners of the motor vehicles, indicating the amount due for the year
- The municipality provide facilities for owners of motor vehicles to pay their licences.
- The provincial department provides the municipality with access to its IT systems so that they can capture the amounts received and issue the motor vehicle licenses on their behalf. The system automatically generates the motor vehicle license upon capturing the payment of the fees due.
- The municipality collect the fees due from motor vehicles owners and simultaneously issue the new licenses on behalf of the provincial government.
- The municipalities are required to pay over any revenue (cash) collected to the provincial government in respect of motor vehicle licenses.
- The municipalities are entitled to retain 20% and 3% of the cash collected for undertaking this activity for the provincial Department of Transport and AARTO respectively.

No significant risks exist other than risks associated with cash management. The application controls designed within the IT system are adequate to correctly account for such revenues.

Revenue recognised as compensation for the transactions carried out on behalf of the principal	25 894 645	23 419 540	25 894 645	23 419 540
Revenue received or to be received on behalf of the principal	128 666 102	115 441 317	128 666 102	115 441 317
<b>Payables held on behalf of the principal</b>				
Opening balance	-	-	-	-
Expenses incurred	128 666 102	115 441 317	128 666 102	115 441 317
Cash paid	(127 964 666)	(115 441 317)	(127 964 666)	(115 441 317)
<b>Closing balance</b>	<b>701 436</b>	<b>-</b>	<b>701 436</b>	<b>-</b>

There are no expenditure paid or incurred on behalf of the principal.

There are no receivables held on behalf of the principal.

### South African National Roads Agency Ltd

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
<b>57. Principal-agent arrangements (continued)</b>				
The group is the agent to the South African National Roads Agency Ltd. The municipality is entitled to a commission of 4% based on the proceeds collected by SANRAL.				
Revenue recognised as compensation for the transaction carried out on behalf of the principal	332 199	134 796	332 199	134 796
Revenue received or to be received on behalf of the principal	8 313 344	3 369 897	8 313 344	3 369 897
<b>Payables held on behalf of the principal</b>				
Opening balance	-	-	-	-
Expenses incurred	8 313 344	3 369 897	8 313 344	3 369 897
Cash paid	(8 389 881)	(3 369 897)	(8 389 881)	(3 369 897)
<b>Closing balance</b>	<b>(76 537)</b>	<b>-</b>	<b>(76 537)</b>	<b>-</b>

There are no expenditure paid or incurred on behalf of the principal.

There are no receivables held on behalf of the principal.

### 58. Events after the reporting date

During July 2024 AFRIFORUM took NERSA to court because NERSA approved tariffs for municipalities without submitting the Cost Of Supply Study. The Court ruled in favor of the customers and ordered that the municipalities that did not submit cost of supply for tariff approval may need to refund the customers and the implication will be 12.72% of the total electricity billed estimated at R27 037 552.76.

Council had approved the write-off for unauthorised, irregular and fruitless and wasteful expenditure along with the recoverable portion of fruitless and wasteful expenditure, as outlined in the respective notes, after year end.

### 59. Additional disclosure in terms of Municipal Finance Management Act

	Group		Company	
<b>Contributions to SALGA</b>				
Current year subscription / fee	12 039 802	10 924 197	12 039 802	10 924 197
Amount paid - current year	(12 039 802)	(10 924 197)	(12 039 802)	(10 924 197)
	-	-	-	-
<b>Audit fees</b>				
Opening balance	166 888	1 469 515	166 888	1 469 515
Current year subscription / fee	15 522 561	17 390 021	14 140 793	16 190 028
Amount paid - current year	(15 689 449)	(18 692 648)	(14 307 681)	(17 492 655)
	-	<b>166 888</b>	-	<b>166 888</b>
<b>PAYE and UIF</b>				
Current year subscription / fee	184 821 621	180 519 971	184 773 151	180 473 195
Amount paid - current year	(184 821 621)	(180 519 971)	(184 773 151)	(180 473 195)
	-	-	-	-

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 59. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Pension and Medical Aid Deductions

Current year subscription / fee	256 706 979	242 036 848	254 938 274	240 544 317
Amount paid - current year	(256 706 979)	(242 036 848)	(254 938 274)	(240 544 317)
	-	-	-	-

#### VAT

VAT output payables and VAT input receivables are shown in note 7.

All VAT returns have been submitted by the due date throughout the year.

VAT on the payment basis reflects a net VAT payable amount of R1 046 789 (2023: 14 663 842)

#### Councillors' arrear consumer accounts

##### 2024:

There were no Councillor accounts that had a balance outstanding for more than 90 days at 30 June 2024

##### 2023:

	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
TPK Murwa	2 620	6 737	9 357
MF Ramaphakela	3 319	1 545	4 864
	<b>5 939</b>	<b>8 282</b>	<b>14 221</b>

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

	Highest outstanding amount	Aging (in days)
TPK Murwa	6 737	120
ML Segoele	1 545	120
	<b>8 282</b>	-

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023

### 60. Statutory Receivables

Statutory receivables consists of:

#### 2024 - Group

	Gross amount	Impairment	Carrying amount
Property rates	635 657 331	(311 771 541)	323 885 790
Traffic fines	76 849 648	(72 067 133)	4 782 515
VAT receivable	14 013 278	-	14 013 278
	<b>726 520 257</b>	<b>(383 838 674)</b>	<b>342 681 583</b>

#### 2023 - Group

	Gross amount	Impairment	Carrying amount
Property rates	567 723 825	(226 312 100)	341 411 725
Traffic fines	171 121 561	(166 830 521)	4 291 040
VAT receivable	47 824 737	-	47 824 737
	<b>786 670 123</b>	<b>(393 142 621)</b>	<b>393 527 502</b>

#### 2024 - Company

	Gross amount	Impairment	Total
Property rates	635 657 331	(311 771 541)	323 885 790
Traffic fines	76 849 648	(72 067 133)	4 782 515
VAT receivable	14 013 278	-	14 013 278
	<b>726 520 257</b>	<b>(383 838 674)</b>	<b>342 681 583</b>

#### 2023 - Company

	Gross amount	Impairment	Total
Property rates	567 723 825	(226 312 100)	341 411 725
Traffic fines	171 121 561	(166 830 521)	4 291 040
VAT receivable	47 824 737	-	47 824 737
	<b>786 670 123</b>	<b>(393 142 621)</b>	<b>393 527 502</b>

### 61. Segment information

#### General information

#### Identification of segments

The group is organised and reports to management on the basis of three major functional areas: Community and public safety, Economic and environmental services and Trading services. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

The municipality's operations are in the Limpopo Province.

Separate financial and other relevant information on geographical areas in which the municipality operates is not available. The cost to develop the necessary information would be excessive.

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group			Company		
	2024	2023		2024	2023	
<b>61. Segment information (continued)</b>						
<b>Group - 2024</b>						
	Community and public safety	Economic and environmental services	Trading services	Other	Unallocated	Total
<b>Segment revenue</b>						
External revenue from non-exchange transactions	3 074 731	31 878 014	10 923 990	-	2 913 564 373	2 959 441 108
External revenue from exchange transactions	40 755 347	66 732 669	1 981 688 313	-	13 578 019	2 102 754 348
Interests on investments	-	-	-	-	48 177 770	48 177 770
Interest earned from receivables	-	-	89 412 602	-	62 289 411	151 702 013
Fair value adjustments	2 954 815	-	440 447	-	126 002 750	129 398 012
Gain on disposal of assets	-	-	-	-	3 005 870	3 005 870
<b>Total</b>	<b>46 784 893</b>	<b>98 610 683</b>	<b>2 082 465 352</b>	<b>-</b>	<b>3 166 618 193</b>	<b>5 394 479 121</b>
<b>Segment expenses</b>						
Total segment expenses	333 673 113	523 337 742	2 161 582 991	-	1 050 419 848	4 069 013 694
Depreciation and amortisation	192 086 238	525 331 702	361 222 936	-	76 357 269	1 154 998 145
Fair value adjustments	-	38 937 379	-	-	28 898 614	67 835 993
Impairment losses on financial assets	8 469 159	40 227 764	-	-	5 124 959	53 821 882
Interest expense	-	-	-	-	50 808 399	50 808 399
Inventory write-down	-	-	-	-	9 278 544	9 278 544
Water losses	-	-	-	-	68 506 297	68 506 297
Loss on disposal of assets	11 628	-	-	-	-	11 628
<b>Total</b>	<b>534 240 138</b>	<b>1 127 834 587</b>	<b>2 522 805 927</b>	<b>-</b>	<b>1 289 393 930</b>	<b>5 474 274 582</b>
<b>Surplus for the year</b>	<b>(487 455 245)</b>	<b>(1 029 223 904)</b>	<b>(440 340 575)</b>	<b>-</b>	<b>1 877 224 263</b>	<b>(79 795 461)</b>
<b>Other information</b>						
Segment assets	3 187 888 262	4 051 347 453	7 420 777 374	113 421	3 243 028 962	17 903 155 472
Segment liabilities	23 329 966	31 981 502	884 656 706	-	926 280 226	1 866 248 400
Total capital expenditure	44 804 250	242 202 146	571 503 104	-	99 911 466	958 420 966
<b>Group - 2023</b>						

# Polokwane Municipality

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## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group			Company		
	2024	2023	2024	2023		
<b>61. Segment information (continued)</b>						
	Community and public safety	Economic and environmental services	Trading services	Other	Unallocated	Total
<b>Segment revenue</b>						
External revenue from non-exchange transactions	88 144	32 968 497	9 041 812	-	2 589 216 618	2 631 315 071
External revenue from exchange transactions	39 982 155	65 424 031	1 735 649 821	61 612	47 582 663	1 888 700 282
Interests on investments	2	-	-	-	38 814 996	38 814 998
Interest earned from receivables	-	-	-	-	110 527 797	110 527 797
Gain on disposal of assets	-	42 287 258	19 951 164	-	62 905 932	125 144 354
<b>Total</b>	<b>40 070 301</b>	<b>140 679 786</b>	<b>1 764 642 797</b>	<b>61 612</b>	<b>2 849 048 006</b>	<b>4 794 502 502</b>
<b>Segment expenses</b>						
Total segment expenses	291 257 943	686 644 577	1 829 188 198	-	848 834 915	3 655 925 633
Depreciation and amortisation	144 372 318	316 923 067	229 756 045	-	39 507 418	730 558 848
Loss on disposal of assets	-	575 900 882	-	-	7 108 857	583 009 739
Impairment losses	1 950	-	-	-	31 148 802	31 150 752
Interest expense	-	-	-	-	57 837 288	57 837 288
Inventory write-down	-	-	-	-	792 800	792 800
Water losses	-	-	-	-	87 344 085	87 344 085
<b>Total</b>	<b>435 632 211</b>	<b>1 579 468 526</b>	<b>2 058 944 243</b>	<b>-</b>	<b>1 072 574 165</b>	<b>5 146 619 145</b>
<b>Surplus for the year</b>	<b>(379 614 185)</b>	<b>(1 438 788 740)</b>	<b>(294 301 447)</b>	<b>61 612</b>	<b>1 776 473 841</b>	<b>(352 116 643)</b>
<b>Other information</b>						
Segment assets	3 376 246 544	4 943 995 281	7 417 104 815	15 172	2 170 954 400	17 908 316 212
Segment liabilities	27 873 531	91 189 322	437 424 493	-	1 235 126 378	1 791 613 724
Total capital expenditure	17 297 155	218 388 161	361 564 077	-	36 808 268	634 057 661
<b>Company - 2024</b>						
	Community and public safety	Economic and environmental services	Trading services	Other	Unallocated	Total
<b>Segment revenue</b>						
External revenue from non-exchange transactions	431	31 878 014	10 923 990	-	2 913 564 373	2 956 366 808
External revenue from exchange transactions	28 606 170	66 732 669	1 981 688 313	-	13 578 019	2 090 605 171
Interests on investments	-	-	-	-	48 177 770	48 177 770
Interest earned from receivables	-	-	89 412 602	-	62 289 411	151 702 013
Fair value adjustments	2 954 815	-	440 447	-	126 002 750	129 398 012
Gain on disposal of assets	-	-	-	-	3 005 870	3 005 870
<b>Total</b>	<b>31 561 416</b>	<b>98 610 683</b>	<b>2 082 465 352</b>	<b>-</b>	<b>3 166 618 193</b>	<b>5 379 255 644</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

Figures in Rand	Group		Company			
	2024	2023	2024	2023		
<b>61. Segment information (continued)</b>						
<b>Segment expenses</b>						
Total segment expenses	307 585 093	523 185 568	2 161 871 427	-	1 065 255 448	4 057 897 536
Depreciation and amortisation	183 801 107	520 455 727	357 726 037	-	75 988 772	1 137 971 643
Fair value adjustments	-	38 937 379	-	-	-	38 937 379
Impairment losses on financial assets	-	40 227 764	-	-	5 124 959	45 352 723
Interest expense	-	-	-	-	50 808 399	50 808 399
Inventory write-down	-	-	-	-	9 278 544	9 278 544
Water losses	-	-	-	-	68 220 369	68 220 369
<b>Total</b>	<b>491 386 200</b>	<b>1 122 806 438</b>	<b>2 519 597 464</b>	<b>-</b>	<b>1 274 676 491</b>	<b>5 408 466 593</b>
<b>Surplus for the year</b>	<b>(459 824 784)</b>	<b>(1 024 195 755)</b>	<b>(437 132 112)</b>	<b>-</b>	<b>1 891 941 702</b>	<b>(29 210 949)</b>
<b>Other information</b>						
Segment assets	2 749 309 030	4 057 681 401	7 424 675 819	113 421	3 275 357 921	17 507 137 592
Segment liabilities	7 494 636	31 981 502	884 656 706	-	918 073 209	1 842 206 053
Total capital expenditure	41 667 671	242 202 146	571 503 104	-	103 319 389	958 692 310
<b>Company - 2023</b>						
	Community and public safety	Economic and environmental services	Trading services	Other	Municipal governance and administration	Total
<b>Segment revenue</b>						
External revenue from non-exchange transactions	7 146	32 968 497	9 041 812	-	2 589 216 618	2 631 234 073
External revenue from exchange transactions	28 496 431	65 424 031	1 735 649 821	61 612	47 582 663	1 877 214 558
Interests on investments	-	-	-	-	38 814 996	38 814 996
Interest earned from receivables	-	-	-	-	110 527 797	110 527 797
Gain on disposal of assets	-	42 287 258	19 951 164	-	62 905 932	125 144 354
<b>Total</b>	<b>28 503 577</b>	<b>140 679 786</b>	<b>1 764 642 797</b>	<b>61 612</b>	<b>2 849 048 006</b>	<b>4 782 935 778</b>
<b>Segment expenses</b>						
Total segment expenses	269 898 217	686 644 577	1 829 188 198	-	858 026 318	3 643 757 310
Depreciation and amortisation	138 219 545	316 023 352	229 756 045	-	40 213 397	724 212 339
Loss on disposal of assets	-	575 900 882	-	-	7 108 857	583 009 739
Impairment losses	-	-	-	-	31 148 802	31 148 802
Interest expense	-	-	-	-	57 837 288	57 837 288
Inventory write-down	-	-	-	-	792 800	792 800
Water losses	-	-	-	-	87 344 085	87 344 085
<b>Total</b>	<b>408 117 762</b>	<b>1 578 568 811</b>	<b>2 058 944 243</b>	<b>-</b>	<b>1 082 471 547</b>	<b>5 128 102 363</b>
<b>Surplus for the year</b>	<b>(379 614 185)</b>	<b>(1 437 889 025)</b>	<b>(294 301 446)</b>	<b>61 612</b>	<b>1 766 576 459</b>	<b>(345 166 585)</b>
<b>Other information</b>						
Segment assets	2 922 456 784	4 943 788 265	7 417 697 877	15 172	2 170 955 400	17 454 913 498
Segment liabilities	9 458 126	91 189 322	437 424 493	-	1 223 706 263	1 761 778 204
Total capital expenditure	17 297 155	218 388 161	361 564 077	-	36 808 268	634 057 661

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

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### 62. GRAP 3 adjustments

The following restatements and adjustments occurred which are set out below:



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

### 62. GRAP 3 adjustments (continued)

#### 62.1 Adjustments of Statement of financial position items

##### Group - 2024

	Note	As previously reported	Correction of error	Re-classification	Restated
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	2	187 784 673	-	-	187 784 673
Receivables from exchange transactions	3	723 147 192	45 855 991	684 109	769 687 292
Receivables from non-exchange transactions	5	346 407 367	(697 053)	-	345 710 314
Other receivables from exchange transactions	4	34 455 232	-	(684 109)	33 771 123
Inventories	6	93 995 322	-	-	93 995 322
VAT receivable		45 397 113	2 427 624	-	47 824 737
VAT input accrual		92 221 762	-	-	92 221 762
		<b>1 523 408 661</b>	<b>47 586 562</b>	<b>-</b>	<b>1 570 995 223</b>
<b>Non-current assets</b>					
Investment property	8	994 131 414	110 751 520	(107 849 898)	997 033 036
Property, plant and equipment	9	15 100 334 043	50 844 265	107 849 898	15 259 028 206
Biological assets	10	14 905 421	-	-	14 905 421
Heritage assets	11	21 867 568	-	-	21 867 568
Intangible assets	12	35 118 295	-	-	35 118 295
Living resources		9 368 462	-	-	9 368 462
		<b>16 175 725 203</b>	<b>161 595 785</b>	<b>-</b>	<b>16 337 320 988</b>
<b>Total assets</b>		<b>17 699 133 864</b>	<b>209 182 347</b>	<b>-</b>	<b>17 908 316 211</b>
<b>Net assets and liabilities</b>					
<b>Current liabilities</b>					
Consumer deposits	15	66 794 150	-	1 793 849	68 587 999
Payables from exchange transactions	16	630 074 969	20 270 193	(1 793 849)	648 551 313
Payables from non-exchange transactions	17	25 780 275	-	-	25 780 275
Borrowings	19	25 088 400	-	-	25 088 400
Finance lease liabilities		21 052 712	-	-	21 052 712
Employee benefits		9 640 920	100 000	-	9 740 920
VAT output accrual		135 527 215	(10 144 558)	-	125 382 657
		<b>913 958 641</b>	<b>10 225 635</b>	<b>-</b>	<b>924 184 276</b>
<b>Non-current liabilities</b>					
Borrowings	19	347 688 492	-	-	347 688 492
Finance lease liabilities		4 576 739	-	-	4 576 739
Employee benefits		397 144 611	750 000	-	397 894 611
Provisions	21	117 269 606	-	-	117 269 606
		<b>866 679 448</b>	<b>750 000</b>	<b>-</b>	<b>867 429 448</b>
<b>Total net assets</b>					
Revaluation reserve	22	10 360 142 341	15 565 764	-	10 375 708 105
Accumulated surplus		5 558 353 451	182 640 949	-	5 740 994 400
		<b>15 918 495 792</b>	<b>198 206 713</b>	<b>-</b>	<b>16 116 702 505</b>
<b>Total net assets and liabilities</b>		<b>17 699 133 881</b>	<b>209 182 348</b>	<b>-</b>	<b>17 908 316 229</b>

##### Company - 2024

	Note	As previously reported	Correction of error	Re-classification	Restated
<b>Assets</b>					

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

### 62. GRAP 3 adjustments (continued)

#### Current assets

Cash and cash equivalents	2	184 371 391	-	-	184 371 391
Receivables from exchange transactions	3	723 147 192	45 855 991	-	769 003 183
Receivables from non-exchange transactions	5	346 399 818	(697 053)	-	345 702 765
Other receivables from exchange transactions	4	33 748 014	-	-	33 748 014
Inventories	6	93 995 322	-	-	93 995 322
VAT receivable		45 397 113	2 427 624	-	47 824 737
VAT input accrual		92 221 762	-	-	92 221 762
		<b>1 519 280 612</b>	<b>47 586 562</b>	-	<b>1 566 867 174</b>

#### Non-current assets

Investment property	8	994 131 414	110 751 520	(107 849 898)	997 033 036
Property, plant and equipment	9	14 679 379 626	22 161 686	107 849 898	14 809 391 210
Intangible assets	12	35 093 576	-	-	35 093 576
Biological assets	10	14 905 421	-	-	14 905 421
Living resources	14	9 368 462	-	-	9 368 462
Heritage assets	11	21 867 569	-	-	21 867 569
Investment in subsidiary	13	1 000	-	-	1 000
		<b>15 754 747 068</b>	<b>132 913 206</b>	-	<b>15 887 660 274</b>

#### Total assets

**17 274 027 680    180 499 768    -    17 454 527 448**

#### Net assets and liabilities

##### Current liabilities

Consumer deposits	15	66 794 150	-	-	66 794 150
Payables from exchange transactions	16	613 278 175	20 034 071	-	633 312 246
Payables from non-exchange transactions	17	25 771 966	-	-	25 771 966
Borrowings	18	25 088 400	-	-	25 088 400
Lease liabilities		21 052 712	-	-	21 052 712
Employee benefits	20	9 116 740	-	-	9 116 740
VAT output accrual		135 527 215	(10 144 558)	-	125 382 657
		<b>896 629 358</b>	<b>9 889 513</b>	-	<b>906 518 871</b>

##### Non-current liabilities

Borrowings	18	347 688 492	-	-	347 688 492
Lease liabilities		4 576 739	-	-	4 576 739
Employee benefits	20	397 144 611	-	-	397 144 611
Provisions	21	117 269 606	-	-	117 269 606
		<b>866 679 448</b>	-	-	<b>866 679 448</b>

#### Total net assets

Reserves and funds	22	10 242 353 680	15 565 764	-	10 257 919 444
Accumulated surplus		5 268 365 211	155 044 491	-	5 423 409 702
		<b>15 510 718 891</b>	<b>170 610 255</b>	-	<b>15 681 329 146</b>

#### Total net assets and liabilities

**17 274 027 697    180 499 768    -    17 454 527 465**

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

### 62. GRAP 3 adjustments (continued)

#### 62.2 Adjustments of Statement of financial performance items

##### Group - 2024

	Note	As previously reported	Correction of error	Re-classification	Restated
<b>Revenue</b>					
<b>Non-exchange revenue</b>					
Property rates	31	573 341 488	(697 054)	-	572 644 434
Transfers and subsidies	32	2 016 138 370	-	-	2 016 138 370
Fines, penalties and forfeits	33	42 532 264	-	-	42 532 264
Interest on receivables	25	40 925 649	-	-	40 925 649
		<b>2 672 937 771</b>	<b>(697 054)</b>		<b>- 2 672 240 717</b>
<b>Exchange revenue</b>					
Services charges - Electricity	23	1 180 205 665	(550 143)	-	1 179 655 522
Services charges - Waste management	23	141 795 082	(865 495)	-	140 929 587
Services charges - Waste water management	23	156 210 029	(5 270 513)	-	150 939 516
Services charges - Water	23	264 634 375	(509 745)	-	264 124 630
Rental	24	46 043 182	1 767 782	-	47 810 964
Interest on investments	26	38 814 998	-	-	38 814 998
Interest on receivables	25	75 516 570	(5 914 422)	-	69 602 148
Licences or permits	27	13 788 739	-	-	13 788 739
Agency services	28	23 554 336	-	-	23 554 336
Operational revenue	29	41 536 510	-	-	41 536 510
Sales of goods and rendering of services	30	26 360 476	-	-	26 360 476
		<b>2 008 459 962</b>	<b>(11 342 536)</b>		<b>- 1 997 117 426</b>
<b>Total revenue</b>		<b>4 681 397 733</b>	<b>(12 039 590)</b>		<b>- 4 669 358 143</b>
<b>Expenditure</b>					
Employee related cost	34	(1 082 073 685)	(850 000)	(83 425)	(1 083 007 110)
Remuneration of councillors	35	(41 383 620)	-	-	(41 383 620)
Irrecoverable debts written off		(328 701 294)	218 747 321	40 721 786	(69 232 187)
Debt impairment		-	(208 602 761)	(40 721 786)	(249 324 547)
Depreciation and amortisation	38	(728 502 944)	(2 055 904)	-	(730 558 848)
Finance costs	39	(57 837 288)	-	-	(57 837 288)
Bulk purchases	40	(856 611 259)	-	-	(856 611 259)
Inventory consumed	41	(225 856 708)	-	-	(225 856 708)
Contracted services	42	(840 914 461)	(12 406 013)	(2 646 003)	(855 966 477)
Transfers and subsidies	43	(480 000)	-	-	(480 000)
Operational cost	44	(263 276 242)	(13 516 906)	2 729 428	(274 063 720)
<b>Total expenditure</b>		<b>(4 425 637 501)</b>	<b>(18 684 263)</b>		<b>- (4 444 321 764)</b>
<b>Gains and losses</b>					
Gain (loss) on disposal of assets	45	(583 009 739)	-	-	(583 009 739)
Fair value adjustments		114 834 361	10 309 993	-	125 144 354
Inventories (write-down)		(88 136 885)	-	-	(88 136 885)
Impairment losses		(31 150 752)	-	-	(31 150 752)
		<b>(587 463 015)</b>	<b>10 309 993</b>		<b>- (577 153 022)</b>
<b>Deficit for the year</b>		<b>(331 702 783)</b>	<b>(20 413 860)</b>		<b>- (352 116 643)</b>

##### Company - 2024

	Note	As previously reported	Correction of error	Re-classification	Restated
<b>Revenue</b>					
<b>Non-exchange revenue</b>					
Property rates	31	573 341 488	(697 054)	-	572 644 434

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

### 62. GRAP 3 adjustments (continued)

Transfers and subsidies	32	2 016 138 370	-	-	2 016 138 370
Fines, penalties and forfeits	33	42 451 266	-	-	42 451 266
Interest on receivables	25	40 925 649	-	-	40 925 649
		<b>2 672 856 773</b>	<b>(697 054)</b>		<b>- 2 672 159 719</b>
<b>Exchange revenue</b>					
Services charges - Electricity	23	1 180 205 665	(550 143)	-	1 179 655 522
Services charges - Waste management	23	141 795 082	(865 495)	-	140 929 587
Services charges - Waste water management	23	156 210 029	(5 270 513)	-	150 939 516
Services charges - Water	23	264 634 375	(509 745)	-	264 124 630
Rental	24	34 557 460	1 767 782	-	36 325 242
Interest on investments	26	38 814 996	-	-	38 814 996
Interest on receivables	25	75 516 570	(5 914 422)	-	69 602 148
Licences or permits		13 788 739	-	-	13 788 739
Agency services	27	23 554 336	-	-	23 554 336
Operational revenue	28	41 536 510	-	-	41 536 510
Sales of goods and rendering of services	29	26 360 476	-	-	26 360 476
		<b>1 996 974 238</b>	<b>(11 342 536)</b>		<b>- 1 985 631 702</b>
<b>Total revenue</b>		<b>4 669 831 011</b>	<b>(12 039 590)</b>		<b>- 4 657 791 421</b>
<b>Expenditure</b>					
Employee related cost	34	(1 072 016 183)	-	-	(1 072 016 183)
Remuneration of councillors	35	(41 383 620)	-	-	(41 383 620)
Bad debts written off		(324 015 241)	218 747 321	36 035 733	(69 232 187)
Debt impairment		-	(208 602 761)	(36 035 733)	(244 638 494)
Depreciation and amortisation	38	(723 166 105)	(1 239 970)	-	(724 406 075)
Finance costs	39	(57 837 288)	-	-	(57 837 288)
Bulk purchases	40	(856 611 259)	-	-	(856 611 259)
Inventory consumed	41	(225 856 708)	(1)	-	(225 856 709)
Contracted services	42	(840 315 341)	(12 338 785)	-	(852 654 126)
Transfers and subsidies	43	(9 671 404)	-	-	(9 671 404)
Operational cost	44	(258 345 313)	(13 348 012)	-	(271 693 325)
<b>Total expenditure</b>		<b>(4 409 218 462)</b>	<b>(16 782 208)</b>		<b>- (4 426 000 670)</b>
<b>Gains and losses</b>					
Gain/(losses) on assets	45	(583 009 739)	-	-	(583 009 739)
Fair value adjustments	46	114 834 361	10 309 993	-	125 144 354
Inventories (write-down)	47	(88 136 885)	-	-	(88 136 885)
Impairment (losses)/reversals	37	(31 148 802)	-	-	(31 148 802)
<b>Total Gains and losses</b>		<b>(587 461 065)</b>	<b>10 309 993</b>		<b>- (577 151 072)</b>
<b>Deficit for the year</b>		<b>(326 848 516)</b>	<b>(18 511 805)</b>		<b>- (345 360 321)</b>

### Statement of Financial Position - Group

#### Receivables from exchange transactions

Balance as previously reported	723 147 192
Correction of commencement dates of lease contracts	65 678 397
Correction of customer accounts	(19 822 406)
Reclassification of bad debts expense to a provision	184 883 369
Reversal of debt impairment	21 639 988
Correction of provision expense	(206 523 357)
Group reclassification of PHA trade debtors from Other receivables from exchange transactions	684 109
	<b>769 687 292</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

### 62. GRAP 3 adjustments (continued)

#### Other receivables from exchange transactions

Balance as previously reported	34 455 232
Group reclassification of PHA trade debtors to Receivables from exchange transactions	(684 109)
	<b>33 771 123</b>

#### Receivables from non exchange transactions

Balance as previously reported	346 407 367
Correction of customer accounts	(697 053)
Reversal of debt impairment	9 391 316
Reclassification of bad debts expense to provision	19 625 917
Correction of provision expense	(29 017 233)
	<b>345 710 314</b>

#### VAT receivable

Balance as previously reported	45 397 113
Erroneous omission of VAT on a contracted service invoice	2 427 624
	<b>47 824 737</b>

#### Investment property

Balance as previously reported	994 131 414
Correction of fair value adjustment on commercial property	56 087 560
Correction of fair value adjustment on investment property	11 232 435
Derecognition of property not belonging to the municipality	(2 102 000)
Reclassification of land from Investment property to land under Property, plant and equipment	(122 208 830)
Recognition of properties previously omitted	59 892 457
	<b>997 033 036</b>

#### Property, plant and equipment

Balance as previously reported	15 100 334 043
Derecognition of RAL roads	(9 929 214)
Expensing of non asset items	(4 009 716)
Reclassification of land from Investment property	122 208 830
Revaluation of land to investment property	(11 232 435)
Revaluation of donated infrastructure assets	12 439 267
Expensing of non capital expenditure	(14 766 409)
Accounting for depreciation on donated assets received	(1 239 968)
Accounting for donated infrastructure assets	36 541 229
PHA: Recognition of land not previously included in the fixed assets register	14 442 750
PHA: Adjusting 2023 closing accumulated depreciation not previously included in the fixed assets register	(26 445 395)
PHA: Recognition of building not previously included in the fixed assets register	40 685 223
	<b>15 259 028 205</b>

#### Consumer deposits

Balance as previously reported	66 794 150
Group reclassification of PHA customer deposits from Payables from exchange transactions	1 793 849
	<b>68 587 999</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

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### 62. GRAP 3 adjustments (continued)

#### Payables from exchange transactions

Balance as previously reported	630 074 969
Correction of period in which expenses were accrued	20 034 070
PHA: Audit committee expense not previously accounted for	37 429
PHA: Legal fees for services rendered in the previous year	168 894
PHA: Repairs and maintenance expense for work done in previous year	29 800
Group reclassification of PHA customer deposits to Consumer deposits	(1 793 849)
	<b>648 551 313</b>

#### Employee benefits - current

Balance as previously reported	9 640 920
PHA: Long service award not previously accounted for	100 000
	<b>9 740 920</b>

#### VAT output accrual

Balance as previously reported	135 527 215
VAT impact due to reversal of debt impairment	2 822 607
VAT impact due to reclassification of bad debts expense to a provision	13 970 663
VAT impact due to correction of provision expense	(26 937 828)
	<b>125 382 657</b>

#### Employee benefits - non current

Balance as previously reported	397 144 611
PHA: Long service award not previously accounted for	750 000
	<b>397 894 611</b>

#### Revaluation reserve

Balance as previously reported	10 360 142 341
Revaluation related to donated assets	12 439 267
Accounting for revaluation on land	3 126 497
	<b>10 375 708 105</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

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### 62. GRAP 3 adjustments (continued)

#### Accumulated surplus

Balance as previously reported	5 558 353 451
<b>Adjustments affecting periods prior to 2022-2023 financial year</b>	
- Rental income: Correction of rental straight lining	57 198 527
- Recognition of properties previously omitted	59 892 457
- Correction of fair value adjustment on commercial property	(31 770)
- Derecognition of RAL roads	(9 929 214)
- Derecognition of investment property	(2 102 000)
- Correction of valuation on investment property	42 651 070
- RAL roads expenditure	(3 977 946)
- Recognition of donated assets	36 541 228
- Accrual of operational costs erroneously omitted	(14 863 099)
- Correction of period in which the provision was reversed	8 177 041
- PHA: Recognition of building previously omitted	29 498 513
<b>Adjustments of profit and loss items for the 2022-23 financial year</b>	
- Rental income: Correction of rental straight lining	8 479 871
- Rental income: Correction of customer accounts	(6 712 089)
- Contracted services: Correction of VAT	2 427 624
- Interest from receivables: Correction of customer accounts	(5 914 422)
- Property rates: Correction of customer accounts	(697 054)
- Service charges electricity: Correction of customer accounts	(550 144)
- Service charges waste management: Correction of customer accounts	(865 495)
- Service charges waste water management: Correction of customer accounts	(5 270 514)
- Service charges water management: Correction of customer accounts	(509 745)
- Depreciation on donated assets	(1 239 968)
- Bad debts: Correction and reclassification of bad debts expense	254 783 054
- Debt impairment: Correction and reclassification of bad debts expense	(244 638 494)
- Operational costs: Correction of period in which the expense is recognised	(13 348 013)
- Contracted services: Incorrect capitalisation of expenses	(14 766 409)
- Fair value: Correction of fair value adjustment on commercial property	7 180 753
- Fair value: Correction of fair value of investment properties	6 255 738
- Fair value: Correction on reclassified properties	(3 126 497)
- PHA: Employee related costs	(850 000)
- PHA: Depreciation	(815 934)
- PHA: Contracted services	(67 228)
- PHA: Operational costs	(168 894)
	<b>5 740 994 398</b>

#### Statement of Financial Position - Company

#### Receivables from exchange transactions

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

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### 62. GRAP 3 adjustments (continued)

Balance as previously reported	723 147 192
Correction of commencement dates of lease contracts	65 678 397
Correction of customer accounts	(19 822 406)
Reclassification of bad debts expense to a provision	184 883 369
Reversal of debt impairment	21 639 988
Correction of provision expense	(206 523 357)
	<b>769 003 183</b>

### Receivables from non-exchange transactions

Balance as previously reported	346 399 818
Correction of customer accounts	(697 053)
Reversal of debt impairment	9 391 316
Reclassification of bad debts expense to a provision	19 625 917
Correction of provision expense	(29 017 233)
	<b>345 702 765</b>

### VAT receivable

Balance as previously reported	45 397 113
Erroneous omission of VAT on a contracted services invoice	2 427 624
	<b>47 824 737</b>

### Investment Property

Balance as previously reported	994 131 414
Correction of fair value adjustment on commercial property	56 087 560
Correction of fair value adjustments on investment property	11 232 435
Derecognition of property not belonging to the municipality	(2 102 000)
Reclassification of land from Investment property to land under Property, plant and equipment	(122 208 830)
Recognition of properties previously omitted	59 892 457
	<b>997 033 036</b>

### Property, plant and equipment

Balance as previously reported	14 679 379 626
Derecognition of RAL roads	(9 929 214)
Expensing of non asset items	(4 009 716)
Reclassification of land from investment property	122 208 830
Revaluation of land to Investment property	(11 232 435)
Revaluation on donated infrastructure assets	12 439 267
Expensing of non capital expenditure	(14 766 409)
Accounting for depreciation on donated assets received	(1 239 968)
Accounting for donated infrastructure assets	36 541 229
	<b>14 809 391 210</b>

### Trade and other payables

Balance as previously reported	613 278 176
Correction of period in which expenses were accrued	20 034 070
	<b>633 312 246</b>

### VAT output accrual



# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

### 62. GRAP 3 adjustments (continued)

Balance as previously reported	135 527 215
VAT impact due to reversal of debt impairment	2 822 607
VAT impact due to reclassification of bad debts expense to a provision	13 970 663
VAT impact due to correction of provision expense	(26 937 828)
	<b>125 382 657</b>

### Revaluation reserve

Balance as previously reported	10 242 353 680
Revaluation relating to donated assets	12 439 267
Accounting for revaluation on land	3 126 497
	<b>10 257 919 444</b>

### Accumulated surplus

Balance as previously reported	5 268 365 211
<b>Adjustments affecting periods prior to 2022-23 financial year</b>	
- Rental income: Correction of rental straight lining	57 198 527
- Recognition of properties previously omitted	59 892 457
- Correction of fair value adjustment on commercial property	(31 770)
- Derecognition of RAL Roads	(9 929 214)
- Derecognition of investment property	(2 102 000)
- Correction of valuation on investment property	42 651 070
- RAL roads expenditure	(3 977 946)
- Recognition of donated assets	36 541 228
- Accrual of operational costs erroneously omitted	(14 863 099)
- Correction of period in which the provision was reversed	8 177 041
<b>Adjustments of profit and loss items for the 2022-23 financial year:</b>	
- Rental income: Correction of rental straight lining	8 479 871
- Rental income: Correction of customer accounts	(6 712 089)
- Contracted services: correction of VAT	2 427 624
- Interest from receivables: Correction of customer accounts	(5 914 422)
- Property rates: Correction of customer accounts	(697 054)
- Service charges electricity: Correction of customer accounts	(550 144)
- Service charges waste management: Correction of customer accounts	(865 495)
- Service charges waste water management: Correction of customer accounts	(5 270 514)
- Service charges water management: Correction of customer accounts	(509 745)
- Depreciation on donated assets	(1 239 968)
- Bad debts: correction and reclassification of bad debts expense	254 783 054
- Debt impairment: Correction and reclassification of bad debts expense	(244 638 494)
- Operational costs: Correction of period in which the expense is recognised	(13 348 013)
- Contracted services: incorrect capitalisation of expenses	(14 766 409)
- Fair value: Correction of fair value adjustment on commercial property	7 180 753
- Fair value: Correction of fair value of investment properties	6 255 738
- Fair value: Correction on reclassified properties	(3 126 497)
	<b>5 423 409 701</b>

### Statement of Financial Performance - Group

#### Property rates

Balance as previously reported	573 341 488
Correction of customer accounts	(697 054)
	<b>572 644 434</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

---

### 62. GRAP 3 adjustments (continued)

#### Services charges - Electricity

Balance as previously reported	1 180 205 665
Correction of customer accounts	(550 143)
	<b>1 179 655 522</b>

#### Service charges - Waste management

Balance as previously reported	141 795 082
Correction of customer accounts	(865 495)
	<b>140 929 587</b>

#### Service charges - Waste water management

Balance as previously reported	156 210 029
Correction of customer accounts	(5 270 513)
	<b>150 939 516</b>

#### Service charges - Water

Balance as previously reported	264 634 375
Correction of customer accounts	(509 745)
	<b>264 124 630</b>

#### Rental

Balance as previously reported	46 043 182
Correction on commencement dates of lease contracts	8 479 871
Correction of customer accounts	(6 712 089)
	<b>47 810 964</b>

#### Interest earned from receivables

Balance as previously reported	75 516 570
Correction of customer accounts	(5 914 422)
	<b>69 602 148</b>

#### Employee related costs

Balance as previously reported	1 082 073 685
Reclassification of cellphone allowance from operational cost	83 425
Long service award expense	850 000
	<b>1 083 007 110</b>

#### Irrecoverable debts written off

Balance as previously reported	328 701 294
Reclassification of bad debts expense to provision	(190 538 624)
Reclassification of provision expense from irrecoverable debts written off to debt impairment	(36 035 733)
Reversal of debt impairment	(28 208 697)
Group reclassification of PHA Debt impairment	(4 686 053)
	<b>69 232 187</b>

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

---

### 62. GRAP 3 adjustments (continued)

#### Debt impairment

Balance as previously reported	-
Correction of provision expense	208 602 761
Reclassification of provision from Irrecoverable debts written off	36 035 733
Group reclassification of PHA Debt impairment previously presented under irrecoverable debts written off	4 686 053
	<hr/>
	<b>249 324 547</b>

#### Depreciation and amortisation

Balance as previously reported	728 502 944
Depreciation recognised on donated assets	1 239 968
PHA: Correction of prior year depreciation on buildings recognised	815 934
	<hr/>
	<b>730 558 846</b>

#### Contracted services

Balance as previously reported	840 914 461
Erroneous omission of VAT on a contracted service invoice	(2 427 624)
Incorrect capitalisation of expenses	14 766 409
PHA: Reclassification of security services from operational cost	2 646 003
PHA: Expenses not previously accounted for	67 228
	<hr/>
	<b>855 966 477</b>

#### Operational costs

Balance as previously reported	263 276 242
Raising of expense erroneously omitted	5 170 971
Correction of period for reversal of provision	8 177 041
PHA: Reclassification of expenses to contracted services	(2 646 003)
PHA: Reclassification of expenses to employee costs	(83 425)
PHA: Legal fees not previously accounted for	168 894
	<hr/>
	<b>274 063 720</b>

#### Fair value adjustments

Balance as previously reported	114 834 361
Correction of fair value adjustment on commercial property	7 180 753
Correction of fair value adjustment on investment property	6 255 738
Fair value on reclassified properties	(3 126 497)
	<hr/>
	<b>125 144 355</b>

### Statement of Financial Performance - Company

#### Property rates

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

---

### 62. GRAP 3 adjustments (continued)

Balance as previously reported	573 341 488
Correction of customer accounts	(697 054)
	<b>572 644 434</b>

#### Service charges - Electricity

Balance as previously reported	1 180 205 665
Correction of customer accounts	(550 143)
	<b>1 179 655 522</b>

#### Service charges - Waste management

Balance as previously reported	141 795 082
Correction of customer accounts	(865 495)
	<b>140 929 587</b>

#### Service charges - Waste water management

Balance as previously reported	156 210 029
Correction of customer accounts	(5 270 513)
	<b>150 939 516</b>

#### Service charges - Water

Balance as previously reported	264 634 375
Correction of customer accounts	(509 745)
	<b>264 124 630</b>

#### Rental

Balance as previously reported	34 557 460
Correction of commencement dates of lease contracts	8 479 871
Correction of customer accounts	(6 712 089)
	<b>36 325 242</b>

#### Interest earned from receivables

Balance as previously reported	75 516 570
Correction of customer accounts	(5 914 422)
	<b>69 602 148</b>

#### Contracted services

Balance as previously reported	840 315 341
Erroneous omission of VAT on a contracted services invoice	(2 427 624)
Incorrect capitalisation of expenses	14 766 409
	<b>852 654 126</b>

#### Depreciation and amortisation

Balance as previously reported	723 166 105
Depreciation recognised on donated assets	1 239 968

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

---

### 62. GRAP 3 adjustments (continued)

**724 406 073**

#### Bad debts written off

Balance as previously reported	324 015 241
Reclassification of bad debts expense to provision	(190 538 624)
Reclassification of provision expense from bad debts written off to debt impairment	(36 035 733)
Reversal of debt impairment	(28 208 697)
	<b>69 232 187</b>

#### Debt impairment

Balance as previously reported	-
Correction of provision expense	208 602 761
Reclassification of provision from bad debts written off to debt impairment	36 035 733
	<b>244 638 494</b>

#### Operational cost

Balance as previously reported	258 345 313
Raising of expense erroneously omitted	5 170 971
Correction of period for reversal of provision	8 177 041
	<b>271 693 325</b>

#### Fair value adjustments

Balance as previously reported	114 834 361
Correction of fair value adjustment on commercial property	7 180 753
Correction of fair value adjustment on investment property	6 255 738
Fair value on reclassified properties	(3 126 497)
	<b>125 144 355</b>

### 61.3 Adjustments of Disclosure Notes

#### Group

# Polokwane Municipality

Consolidated Audited Annual Financial Statements for the year ended 30 June 2024

## Notes to the Consolidated Audited Annual Financial Statements

---

### 62. GRAP 3 adjustments (continued)

#### Note 52: Contingent liability

Balance as previously reported	284 086 122
Correction of cases recorded and calculation errors	(10 644 690)
	<b>273 441 432</b>

#### Note 53.2: Irregular expenditure

Balance as previously reported	289 639 713
Irregular expenditure incorrectly recognised	(19 049 843)
Irregular expenditure erroneously omitted for periods prior to FY2023	28 592 176
Irregular expenditure erroneously omitted relating to FY2023	23 459 725
	<b>322 641 771</b>

#### Note 54: Commitments

Balance as previously reported	998 789 789
Correction of commitment amounts	24 316 090
	<b>1 023 105 879</b>

#### Note 57: Principal and Agent arrangements - EasyPay commission paid

Balance as previously reported	-
Commission paid erroneously omitted	2 450 884
	<b>2 450 884</b>

### Company

#### Note 52: Contingent liability

Balance as previously reported	284 086 122
Correction of cases recorded and calculation errors	(10 644 690)
	<b>273 441 432</b>

#### Note 53.2 Irregular expenditure

Balance as previously reported	268 377 676
Irregular expenditure incorrectly recognised	(19 049 843)
Irregular expenditure erroneously omitted for periods prior to FY2023	28 592 176
Irregular expenditure erroneously omitted relating to FY2023	23 459 725
	<b>301 379 734</b>

#### Note 54: Commitments

Balance as previously reported	998 789 789
Correction of commitment amounts	24 316 090
	<b>1 023 105 879</b>

#### Note 57: Principal and Agent arrangements - EasyPay commission paid

Balance as previously reported	-
Commission paid erroneously omitted	2 450 884
	<b>2 450 884</b>

# **REPORT OF THE AUDIT PERFORMANCE AND AUDIT PERFORMANCE AND AUDIT COMMITTEE ON POLOKWANE LOCAL MUNICIPALITY (PLM)**

We are pleased to present our report for the financial year ended 30 June 2024.

## **Audit Performance and Audit Committee Structure**

Polokwane Local Municipality has an Audit Performance and Audit Committee which is composed of five independent members and reports directly to Council

## **Audit Performance and Audit Committee Responsibility**

The Audit Performance and Audit Committee reports that it has complied with its responsibilities arising from Section 166 and 165 of the Municipal Finance Management Act and Treasury Regulation 3.1.13. The Audit Performance and Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Performance and Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein and the related code of conduct, policies and practices.

## **Stakeholder Engagement/s**

The committee has been able to engage with the following stakeholders:

- National and Limpopo Provincial Treasury
- Limpopo Municipality of Corporate Governance, Human Settlement and Traditional Affairs
- Limpopo SALGA
- Limpopo Provincial Auditor (AGSA)

## **The Effectiveness of Internal Control**

Based on the results of the formal documented review of the design, implementation and effectiveness of the municipality's system of internal controls conducted by the internal audit and AGSA during the financial year ended 30 June 2024, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Audit Performance and Audit

Committee concluded that the municipality's system of internal financial controls is effective and no material internal control breaches come to the Committee's attention.

### **Risk Management**

The Audit Performance and Audit Committee reviewed the municipality's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy and concluded that municipality's risk management maturity level is satisfactorily, which is commendable.

### **In-Year Management and Monthly/Quarterly Report**

Based on the quarterly review of in-year monitoring systems and reports, the Audit Performance and Audit Committee is satisfied with the quality, accuracy, usefulness, reliability, appropriateness and adequacy of the municipality in-year reporting systems and would like to commend the municipality for that.

### **Internal Audit Arrangement**

The Audit Performance and Audit Committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the reports of the Internal Auditors on the municipality's systems of internal control;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;

### **Combined assurance**

The Audit Performance and Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were adequate to address all significant risks facing the municipality.



## **Compliance with the relevant laws and regulations**

The Audit Performance and Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the municipality material complied with the enabling laws and regulations as well as its municipality policies and standard operating procedures.

## **Evaluation of Annual Financial Statements**

Following the review by the Audit Performance and Audit Committee of the draft annual financial statements for the year ended 30 June 2024 before and after the audit, the committee is of the view that, annual financial statements fairly present the financial performance of the municipality for the year under review and can be incorporated into the annual report.

## **Evaluation of Annual Performance Report**

Following the review by the Audit Performance and Audit Committee of the annual performance report for the year ended 30 June 2024 before and after the audit, the committee is of the view that, draft annual performance report fairly presents the non-financial performance of the municipality for the year under review and can be incorporated into the annual report.

## **Consideration of the Final Audit report**

The Audit Performance and Audit Committee considered final audit report and concurred with the AGSA's unqualified audit opinion. Furthermore, the Audit Performance and Audit Committee commended the municipality for the unqualified audit opinion.

## **Final Annual Report**

The Audit Performance and Audit Committee has also somewhat satisfied itself as to the integrity of the remainder of the annual report.

## **Auditor-General of South Africa**

The Audit Performance and Audit Committee has met with the AGSA to ensure that there are no unresolved issues.

## **Conclusion**

The Audit Performance and Audit Committee wishes to acknowledge the commitment and support of Council, Honourable Executive Mayor, Municipal Manager, AGSA staff, management and staff of the municipality. The political and administrative leadership stability in the municipality played ultimate and big role towards and improved and positive financial and non-financial performance.

A handwritten signature in black ink, consisting of the letters 'SAB' followed by a period, enclosed within an oval shape.

---

**SAB Ngobeni**

**Chairperson of the Audit Performance and Audit Committee**

**Date 30 November 2024**



*"A Promise Delivered"*

**ANNUAL REPORT  
2023-2024**

**Prepared in Terms of  
Section 121 of the Municipal Finance Management Act, 56 of 2003 and section 46 of the  
Municipal Systems Act, 32 of 2000**



**CORPORATE ADMINISTRATION**

**Thabatshweu Housing Company (Pty) Ltd.**

Company Registration Number: 2005/012521/07

Bankers FNB

**Registered Address for the Company:** Corner Landros Mare & Bodenstein Street  
Polokwane

0700

**Postal Address** P O Box 1157

Ladanna

0704

**Telephone Number:** (015) 291 2314

**Fax Number:** (015) 295 6259

**Website:** [www.polokwane.gov.za](http://www.polokwane.gov.za)

**Auditors:** Auditor General – South Africa

**Former Directors:( 2021/02-2024/01)** Ms. Sara Mashabela - Board Chair

Ms. Asnath Kgosana

Mr. Matsobane Gololo

Mr. Oupa Galane

Mr. Samson Vilakazi

Mr. Shimi Maimela – Chief Executive Officer  
(end 30/11/2023)

**Acting Company Secretary** Mr.Abraham Makomoto (start 11/2023)

**Current Directors:( 2024/06-2027/05)**

Mr Emeritus Kgoshi Setlamorago  
Thobejane- Board Chair

Adv Tlou Ramashia

Mr Aubrey Mokgola

Ms KM Choenyana

Ms MJ Boshielo

Ms M Mashego –Acting Chief Executive  
Officer (start 01/12/2023 to date)

**Acting Company Secretary**  
date)

Mr.Abraham Makomoto (start 11/2023 to  
date)

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## CHAPTER 1: FOREWORD BY THE EXECUTIVE MAYOR



The municipality's service delivery programme has intensified in the areas of water provision, roads and storm-water, electrification and adherence to good governance principles. Provision of sustainable and innovative human settlements programmes remain on top of our agenda which require the PHA to also keep on its toes for heightened services.

We are positive that with the new board in place and the appointment of the CEO and other critical personnel, we will realise the acceleration of the entity's expectations being prioritised and implemented in order to turn around the entity towards self-reliance and creation of good legacy projects for the community of Polokwane.

As an immediate low hanging fruit, the second phase of the Ga-Rena facility must come into operation to bring relief to the housing needs for those who meets the requirements. This is long overdue.

The PHA needs to grab and embrace students' accommodation as a key strategic programme for the entity. This is a national crisis and Polokwane is experiencing the same challenge. The entity must therefore pull up its socks and develop strategies and projects that will alleviate this crisis. This will also assist the entity to become self-sustainable in the long run. There are funding opportunities in this space that must be taken advantage of.

Revenue collection is on a positive, however there is still more that can be done in this area. The rental collection for the entity is at 58% and we encourage that revenue collection strategy must

be intensified to ensure that the entity can be financially viable and resilient and not rely on the municipality.

Maintenance of the infrastructure on the properties remain key to operating a successful entity. It cannot not be right to collect rentals but not provide the much-needed maintenance on our properties. The two must go hand in glove.

The need for high density RDP model settlements cannot be overemphasised in the jurisdiction of Polokwane Municipality. This will enable us to efficiently use the land and keep up with human settlements development trends in the country.

We are appreciative that the entity managed to maintain the unqualified opinion for the 2022/23 financial year. However, there is an opportunity to improve this opinion to a clean audit. All hands need to be on deck to work towards this objective.

There must be real change that makes a positive impact on how the entity is run and managed for the benefit of the people of Polokwane.

**Cllr M.J. MPE**

---

**EXECUTIVE MAYOR**



## CHAPTER 2: CHAIRPERSON'S OVERVIEW



My appointment in June 2023 as the Chairperson of the Polokwane Housing Association (PHA) has come at a challenging time domestically. The institution continues to face its lowest performance against the required levels of performance at 95% and battling to sustain itself and ensure efficient and effective rendering of its mandate and objectives. Although this year has been marked by challenges, institutional performance remained stagnant at 58% and significant strides are in place towards meeting our unit delivery target for the year.

Key and priority positions are on an acting basis and high levels of unemployment, poverty and inequality continue to affect the entity's ability to collect efficiently to be able to be sustainable in the long term. The negative economic climate adversely affects the full realisation of the ideals of the Polokwane City's long-term human settlements objectives. Even the PHA, which must play a counter-cyclical role through the development and management of key rental housing infrastructure projects in the human settlements space, has not been immune to these adverse economic conditions. Throughout the year, the PHA faced various challenges and celebrated some accomplishments in its unwavering commitment to providing affordable and sustainable rental housing opportunities for Polokwane citizens. Key amongst these was the delivery of 494 social housing units and construction of a water tank with purification system to the value of R235.297,951.17 and R6,995,653.17 respectively.

Collaboration has proven to be the cornerstone of progress. In this respect, our partnership with the Shareholder as well as other stakeholders and development agents has been instrumental in meeting the rising demand for affordable rentals. The participation of stakeholders such as Social Housing Regulatory Authority, Limpopo COGHSTA etc, signals the potential of social housing

and how much this instrument can contribute to the national priority of restructuring our country to address historical spatial dysfunctions.

We acknowledge that there is room for improvement in achieving the necessary scale to meet the ever-growing demand for decent housing. In the center of all this there is a need for the entity to put in and strengthen its security management systems to not only guard against free unmonitored access which would threaten the security of all its communities, but also to ensure continuous collection of rent. The maintenance and tidiness of the properties should serve as cornerstone of the entity which could also be used to portray and be used as a marketing tool of the organization. The Social Housing programme remains a beacon of hope in our ongoing journey towards addressing spatial inequalities, boosting economic recovery, and dealing with continued urbanisation trends. We recognise that the potential for positive change lies within our grasp. Our commitment to facilitating access to quality affordable rental options remains a priority and has never been more crucial.

Our tenants often bear the brunt of increasing utilities and charges, which jeopardises affordability. In acknowledgment of this, PHA is actively participating in dialogues spearheaded by the Ministry of Human Settlements to have local authorities proactively step forward with favourable rates and tariffs, facilitating a more sustainable and affordable living environment for our tenants.

I would be remiss not to acknowledge the dedicated members of our Board, whose diverse expertise and tireless efforts have laid a robust foundation of sound governance. I extend my heartfelt gratitude to Ms Molatelo Mashego for her exemplary leadership during her tenure as acting CEO, and I extend a warm welcome to Mr. Mothobi Mokaeanane, our incoming CEO. Your leadership and dedication are invaluable assets that will undoubtedly enhance our performance and amplify the impact of the programme.

As we continue our journey, our resolve remains unwavering, our commitment to the cause unyielding.

## **CHAPTER 3: CHIEF EXECUTIVE OFFICER'S REPORT.**



Polokwane Housing Association (PHA) focuses on 3 key performance areas 1. Core business 2. Financial viability 3. Governance and transformation as outlined in its Annual Performance Plan (SDBIP) during the period under review.

### **Core Business**

One of the key highlights during 2023/24 was that Annadale Extension 2 has been completed. This project was the construction of 494 Social Housing Units. This will see the number of housing units managed by the PHA increasing from 697 to 1191. However, Tenanting has been put in on hold due to water challenges on the project which requires construction of a tank at a cost of R6,9 million. Appointment letter for the extension of scope of work has been submitted to Motheo Construction Group and Motheo has accepted the appointment.

### **Financial Viability**

Rental collection of the entity is at 58%. PHA is unable to meet its annual target of 95% due to a high number of non-paying tenants. The entity developed revenue enhancement strategy to ensure that the entity meet its target.

### **Governance and Transformation**

The Chief Executive Officer's (CEO) contract ended end of November 2023; the acting CEO was appointed from December to date. The Board of directors' contract expired end of January 2024; the entity was without a board since then. The appointment of a new board is currently underway, interviews were conducted on the 11 of April 2024.

## **CHAPTER 04: INTRODUCTION AND CORPORATE PROFILE**

### **Vision**

To be the premier provider of innovative and sustainable living

### **Mission**

To promote smart living for a diverse market through delivery of sustainable and affordable homes

### **Our Values**

- Accountability
- Efficiency
- Innovation
- Honesty
- Participation

### **Our principles**

- Improved Quality of Living
- Improved Confidence of PHA in the Social Housing Industry
- Improved administrative and governance capacity.
- Improved efficiency and effectiveness of the PHA Administration
- Enhanced Revenue and Asset base

The Polokwane Housing Association (MOE) Ltd was previously registered and established as a Section 21 Company in terms of the Companies Act in 2002 and in 2005 registration was changed to Ga-Rena Rental Village (proprietary). The registration and establishment was subsequently changed and PHA is now registered as a PTY Limited company in terms of section 86 of Municipal Systems Act. The registered name is Thabatshweu Housing Company (PTY) Ltd Registration No (2005/012521/07) trading as Polokwane Housing Association.

The Mandate of PHA as per its revised MOI, is to develop and manage:

- integrated Human Settlements
- Social and Non-Social Housing
- Rental housing units within the Gap Market

- Student accommodation

As a Municipal Entity entrusted with managing rental housing units, PHA is required to comply with all the Municipal Finance Management Act, Act No. 56 of 2003, the Municipal System Act, Act 32 of 2000, the Companies Act, Act No 71 of 2008 the Housing Code, the Social Housing act of 2008 and all other relevant legislation applicable to the municipal entity.

The mandate includes amongst others, the responsibility for administrative processes, accounting and financial management, tenant liaison, policy and guideline formation, capital raising, agency role and other functions that Polokwane Municipality may require in applying the principles of social housing in Polokwane. The mandate has been extended to include participating in the non-social housing rental space. I.e. gap market, profit making rental housing and student housing

## **CHAPTER 05: DIRECTORS' REPORT AND GOVERNANCE**

### **5.1 COMPANY SECRETARY REPORT**

The entity has addressed the following compliance issues such, as amongst others during the year under review:

- Lodge the annual returns with CIPC.
- The company functions with all the appointed board and its members.
- Holding a successful Annual General Meeting with all the members and the stakeholders present at the meeting.
- Holding successful board committee and board meetings with all members present in the meetings.

### **5.2 BOARD OF DIRECTORS**

The Board of directors continued to perform its oversight functions and provided strategic leadership and guidance to the CEO and the management team during the year under review. The Board has the responsibilities for managing the affairs of the Company, its direction, program priorities, resource allocations and both financial performance and planning the future of direction of the Company. The Board can execute its full responsibilities and functions with the support and corporation of staff members in the Company.

Below are the Board meetings that were planned and only 1 meeting was successfully attended for the year under review:

<b>Surname &amp; initials.</b>	<b>Designation</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter (29 November 2023)</b>	<b>3<sup>rd</sup> Quarter</b>	<b>4<sup>th</sup> Quarter</b>
Ms Sarah Mashabela	Chairperson of the Board		✓	No meeting held as board members contract expired	No meeting held as board members contract expired
Mr Oupa Galane	Director		✓		
Mr Matsobane Gololo	Director		✓		
Mr. Samson Vilakazi	Director		✓		
Ms. Asnath Kgosana	Director		✓		
Mr Shimi Maimela	CEO		✓		
Ms Mashego M	Shareholder Representative		✓		
Mr Abraham Makomoto	Acting Company Secretary		✓		
Ms Lambani L	AGSA		✓		
Ms Matamba R	AGSA		✓		
Mr Ngobeni S	Audit Committee Chairperson		✓		

Mr Letsoalo	SHRA		✓		
Ms Mathaba Pheeha	Board Committee Secretariat		✓		

### 5.3 BOARD COMMITTEES

The Companies Act 71 of 2008 as amended, provides the board with the power to appoint board committees; and to delegate to such committees any of the authority of the board. Board Committees serve as a vital and important tool in aiding the Board. After all, a committee's intended mission is to support and assist the Board in carrying out its responsibilities.

All the board committees are comprised of the respective chairperson(s), members of the committees and the stakeholders together with the CEO of the company and report to the board on all the progress made, challenges experienced, and milestones achieved in the execution of their duties.

**The Board is comprised of the following committees:**

#### **Property, Contracts and Projects, (PCP)**

The key responsibility is to provide effective and efficient oversight of the company's property, movable or immovable property. The committee provides sound directive management and measures of the projects within the company and intervention for challenges that hinder progress of projects.

#### **Finance and Risk, Committee (FRC)**

The key responsibility of the committee is to provide effective financial management and serves to oversee the company's finances to ensure transparency and accountability and ensuring mitigation of risks that may result from financial negligence.

#### **Human Resource & Remuneration (HR&REMCO)**

Human capital is important for the company to ensure maximum operations. The committee is responsible for equipping employees with the relevant tools of trade and skills to ensure maximum efficiency and high staff morale amongst others.

## **Social and Ethics**

Without any code of conduct in the manner of operating and or responsibilities. Ethics are a very important component of good governance. The committee is responsible for ensuring that stakeholders' relations remain an important part of the company to maintain the integrity and ensure success of the company.

## **5.4 PROPERTY, CONTRACTS & PROJECTS**

### **5.4.1 MANDATE OF THE COMMITTEE**

Property, Contracts and Projects Committee's primary role is to investigate any activity within its terms of reference and to obtain any:

- information required from any employee of the PHA;
- required independent professional advice; and
- Secure the attendance of any Board member, employee of PHA or independent advisers or consultants to the meeting.

The Committee is mandated to perform the following duties:

- To ensure effective, efficient and economic use of the rental stock.
- To ensure that the organisation renders service of high quality to clients
- To recommend to the board that competitive designs and standards are maintained.
- Shall research and assist the company in keeping abreast with development in the housing environment
- Shall be responsible for rental and tenancy policies
- Shall investigate and address the complaints of the clients
- To consider all issues relating to property development and management.
- To review policies, methodology and procedure in connection with the consideration and approval of projects and management thereof, recommendations on applications to be delegated to officials.
- To consider and recommend to the Board, appropriate parameters for the determination of applications to be delegated to officials.
- To monitor the exercise of these delegated power and the compliance of officials with the parameters set.
- To recommend rentals and other service charges and consider increments thereof.



## Policies

On an annual basis the committee review its policies to be in line with the changing circumstances / environment so as to meet the needs of the tenants and legislative prescripts. The following policies were reviewed by the committee and adopted by the board during the period under review:

- Property Management Policy
- Property Administration Policy
- Property Maintenance Policy

## Property Management Delivery Performance

The Property Management Department covers facilities management and tenant services, which includes administration of waiting lists; allocation of tenants; lease administration; tenancing; repairs and maintenance; cleaning and gardening; safety and security; and general upkeep of communal areas.

## Portfolio Managed by PHA

### Seshego Community Residential Units (CRU)

#### Overview of the Complex

Seshego Community Residential Units (CRU) is a rental housing project targeting lower income band of the market. Qualifying beneficiaries should be earning R1 500 – R7 500. The project has 193 rental units which comprise of 13 one bedrooms, 167 two bedrooms, 09 leave and work units (ground floor retail space and bedrooms on the 1<sup>st</sup> floor) and 04 shops. The project is performing fairly well.

Performance Indicators on Quarterly basis for 2023/2024	Q1	Q2	Q3	Q4
Occupation Rate	99%	99%	99%	99%
Vacancy Rate	1%	1%	1%	1%

## Ga Rena Rental Villages

Ga-Rena residential complex is constituted by 86 blocks 508 rental units. The project is meant to cater for tenants with income range of R3 500 – R22 000. Performance of the portfolio has been difficult for years due to rent boycott and protests.

<b>Performance Indicators on Quarterly basis for 2023/2024</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Occupation Rate</b>	93%	96%	98%	98%
<b>Vacancy Rate</b>	7%	4%	2%	2%

## **Projects**

### **ANNADALE EXT 2 SOCIAL HOUSING PROJECT BRIEF**

#### **Background**

Motheo construction group was appointed to construct 494 residential units comprising of eleven blocks at Annadale Extension 2. The project started on the 1<sup>st</sup> of February 2019 and practical completion was achieved on 23 November 2022, However, Tenanting has been put in on hold due to water challenges on the project which requires construction of an elevated tank at a cost of R6,9 million. Appointment letter for the extension of scope of work has been submitted to Motheo Construction Group and Motheo has accepted the appointment.

## **5.5 FINANCE AND RISK COMMITTEE**

### **5.5.1 The Mandate of the Committee**

The Finance committee deals with finance, audit and risk matters. This committee is tasked to review all issues relating to finance, audit and risk matters of the company including the internal controls. The Committee further assists and advises the Board of Directors with overall Finance with respect to:

- Financial Management,
- Risk Management,
- Internal and External Audit, and
- Development and review of Financial and Risk Policies

### **5.5.2 Highlights**

- Risk policies were reviewed.
- Risk register and risks implementation plan were approved and Implemented
- Risk reports also served before Polokwane Municipality's Risk Management committee and Audit committee for quality assurance.
- The entity maintained its Unqualified audit opinion.

### **5.5.3 Challenges**

- Low rental collection due to (sub -lets of units and non-paying tenants).
- The protracted process of eviction(s) at Ga-Rena affected the rental collection and impacted negatively on the entity's cash flow and maintenance on Ga-Rena Rental Village.

## **5.6 RISK MANAGEMENT ANNUAL REPORT FOR THE YEAR END 2023/24**

### **1. PURPOSE**

The report aims to provide comprehensive progress on all Risk Management activities and performance for 2023/24 financial year. The report will also give summary on progress made in implementing all risk management plans that were approved in the beginning of the financial year and summarize the achievements and challenges for the past year.

The Board has committed the Entity to a process of risk management that is aligned to the principles of the King IV Report and the Municipal Finance Management Act (MFMA), Companies ACT and Treasury regulation as a guideline. The features of this process are outlined in Polokwane Housing Association's Risk Management Framework.

Polokwane Housing Association has put measures in place to ensure that the process of risk management receives special attention throughout the organisation and that all levels of management know, understand, and comply with the Risk management framework.

### **2. RISK OVERSIGHT**

Oversight of overall entity risk management implementation resides with Risk Management Committee and the Audit and Performance Committee. Risk Management Committee meet quarterly and report to the Audit and Performance Audit Committee, Finance and Risk Committee and ultimately all the committees report to the Board of Directors.

Polokwane Housing Association is utilizing a shared services with the parent municipality whereby Risk Management Committee Chairperson is independent non-executive member.

The Chairperson of the Audit and Performance Committee reports to Council on a quarterly basis on the progress made on managing identified risks and the performance of management in taking responsibility to ensure that appropriate controls are implemented to mitigate risks.

#### 4. RISK MANAGEMENT COMMITTEE MEETINGS

Below is an illustration of attendance by Risk Management committee members in 2023/24 FY.

#	Designation	13 October 2023	17 January 2024	11 April 2024	11 July 2024	Attendance %
1.	Independent Chairperson	✓	✓	✓	✓	100%
2.	Chief Executive Officer	✓				100%
3.	Acting Chief Executive Officer		x	x	x	0%
4.	Manager: Finance	✓	✓	✓	✓	100%
5.	Assistant Manager: Risk Management	✓	✓	✓	✓	100%
6.	Internal Audit	✓	✓	✓	x	75%
7.	Assistant Manager: Regulatory reporting	✓	✓	✓	x	75%
8.	Assistant Manager: Finance	✓	✓	✓	✓	100%
9.	Assistant Manager: Strategic Support	✓	✓	✓	✓	100%
10.	Compliance Officer	✓	✓	✓	✓	100%
11.	Risk Management -Intern		✓			100%
12.	Risk Management -Intern		✓			100%
13.	Overall Meeting attendance	100%	90%	88%	66%	86%
✓	Present					
x	Absent					
R	Represented					

The acting CEO was not in attendance; however, her apology was noted.

#### 4. STATUS OF RISK MANAGEMENT COMMITTEE RESOLUTION FOR 2023/24

Total resolution	14
Resolved	11
In progress	00
Outstanding	03
Percentage	79%

#### 5. STRATEGIC RISKS OVERVIEW

At the beginning of financial year 2023-24 FY management have adequately identified 06 risks with 14 risk mitigations.

Below is the illustration of progress made on risk mitigations throughout the year.

Quarter	Q1	Q2	Q3	Q4
Total number of risk mitigations	14	14	14	14
Implemented risk mitigations	9	10	9	9
Mitigations in progress	2	4	2	2
Mitigations not implemented	3	0	3	3
Overall implementation status	64%	71%	64%	64%

#### **Risk Analysis and Advisory note.**

Generally, based on the reported information of risk mitigations management have not adequately implemented their risk mitigations. The average implementation of risk mitigations is at 66% and this is caused by the poor financial health of the entity.

### **6. OPERATIONAL RISKS OVERVIEW**

At the beginning of financial year 2023-24 FY management have adequately identified 08 risks with 11 risk mitigations.

Below is the illustration of progress made on risk mitigations throughout the year

Quarter	Q1	Q2	Q3	Q4
Total number of risk mitigations	11	11	11	11
Implemented risk mitigations	10	10	08	08
Mitigations in progress	00	00	01	01
Mitigations not implemented	01	01	01	01
Overall implementation status	91%	91%	80%	80%

#### **Risk Analysis and Advisory note**

Generally, based on the reported information of risk mitigations management have not fully implemented their risk mitigations. The average implementation of risk mitigations is at 85% and is satisfactory.

### **7. PROJECT RISK ASSESSMENT PROGRESS FOR 2023/24**

Project risk assessment report for 2023/24 financial year was approved by Risk Management Committee at the beginning of the financial year with four (4) risk and 10 mitigations.

Below is the illustration of progress made on risk mitigations throughout the year

Quarter	Q1	Q2	Q3	Q4
Total number of risk mitigations	10	10	10	10
Implemented risk mitigations	05	05	05	05
Mitigations in progress	02	02	02	02
Mitigations not implemented	03	03	03	03
Overall implementation status	50%	50%	50%	50%

### Risk Analysis and Advisory note

The reported information indicate that management managed to implement 50% of project risk mitigations due to budgetary (financial) constraints particularly Annadale Ext 2.

## 8. RISK MANAGEMENT IMPLEMENTATION PLAN PROGRESS FOR 2023/24

The Risk Management implementation plan was approved at the beginning of the financial year with 14 activities to be implemented throughout the financial year. The table below summaries progress made through out of the financial year.

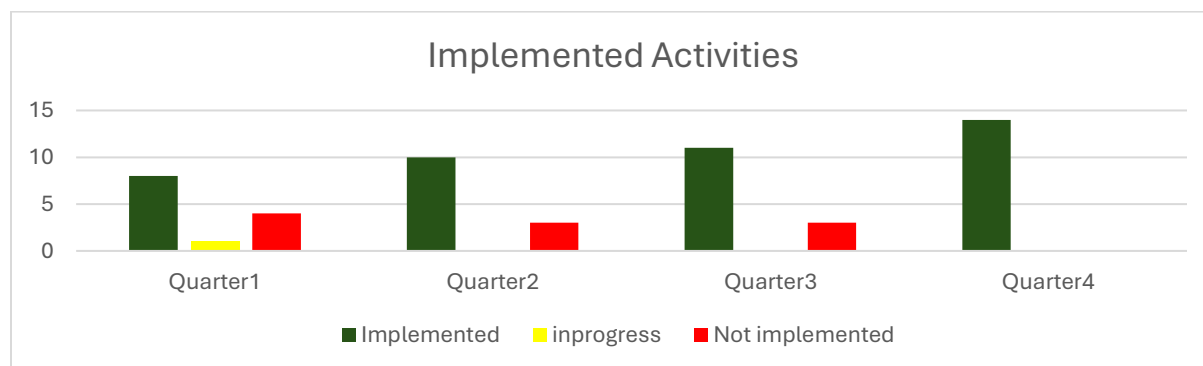
### Overall Implementation Status

Quarter	Q1	Q2	Q3	Q4
Total number of risk mitigations	14	14	14	14
Implemented risk mitigations	08	11	11	14
Mitigations in progress	01	00	00	00
Mitigations not implemented	04	03	03	00
Overall implementation status	62%	78%	78%	100%

### Risk Analysis and Advisory note

Generally, based on the reported information of risk management activities management have not adequately implemented the set activities. The average implementation of activities is at 80% and is satisfactory.

### Illustration of implemented Activities.



## 8. FRAUD RISK MANAGEMENT PLAN PROGRESS FOR 2023/24

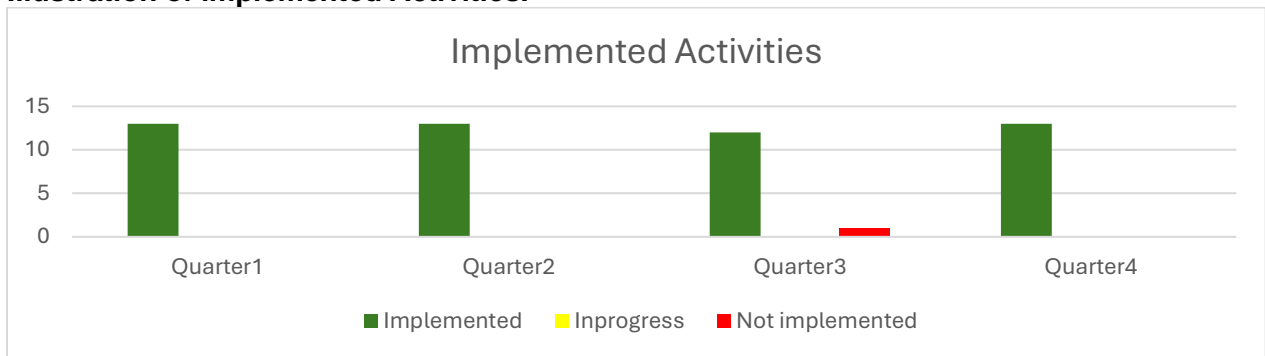
Fraud Risk Management Plan for 2023/24 financial year was approved by Risk Management Committee at the beginning of the financial year with 13 activities to be implemented. The table below summaries progress made through out of the financial year.

Quarter	Q1	Q2	Q3	Q4
Total number of activities	13	13	13	13
Implemented activities	13	13	12	13
Activities in progress	00	00	00	00
Activities not implemented	00	00	01	00
Overall implementation status	100%	100%	92%	100%

### Risk Analysis and Advisory note

Generally, based on the reported information of risk management activities management have not adequately implemented the set activities. The average implementation of activities is at 98% and is satisfactory.

### Illustration of implemented Activities.



## 10. FRAUD INCIDENTS REPORT

The purpose of the report is to provide statistics on alleged fraud and corruption incidents reported within the institution from 01<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024. The Office of the CEO and Risk Management unit did not receive any reports of fraud allegations during the 2023-24 financial year.

### 11.FRAUD AWARENESS

During the 2023-24 financial year risk management Unit conducted four (4) fraud awareness on all staff members and community Members.

Date of awareness	Method of awareness	Number of attendees
11 September 2023	<ul style="list-style-type: none"> <li>Email</li> <li>Media Print</li> <li>Polokwane Facebook page</li> </ul>	<ul style="list-style-type: none"> <li>11 Officials received emails</li> <li>Community Members</li> </ul>
29 November 2023 23 November 2023	Media Print Polokwane Facebook page	<ul style="list-style-type: none"> <li>11 Officials received emails</li> <li>Community Members</li> </ul>
27 February 2024	Internal communications/Email	11 Officials received emails

27 June 2024	Physical presentation	15 Officials attended
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## 12. APPROVED POLICIES

The risk management policies were approved in the prior year the policies are still valid

Name of the policy	Date of approval by RMC & APAC	Validity of the policies
Risk Management framework	13 April 2023 & 04 May 2023	Two (02 Years)
Anti-Fraud and Corruption Policy	20 July 2023	Two (02 Years)
Whistle Blowing Policy	20 July 2023	Two (02 Years)

## 14. RISK MANAGEMENT GOVERNANCE INTERNAL AUDIT FINDING REPORT 2023/2024

The internal audit conducted risk management governance and noted the following findings:

No	Findings	Status
1	Non implementation of risk mitigations by the entity.  We noted that some of risk mitigations as per risks registers (operational and strategic) were not implemented by the entity.	In progress
2	Portfolio of evidence not provided for progress report on some of risk mitigations.  The entity could not corroborate progress reported on some of the risk mitigations as per risks registers (operational and strategic), therefore we could not verify whether these risk mitigations were implemented by the entity.	Resolved
3	Lack of reporting on some of the risk mitigations developed.  We noted that in some instance the entity did not report on some of the risk mitigations developed as per risks registers.	Resolved

## 15. CONCLUSION

The Entity has implemented the Risk Management Framework, the implementation plan and fraud risk management implementation plan. The risk culture has been created and is maturing. All risk owners have taken the responsibility to manage the risks under their respective SBUs, however there is still a challenge of collecting 95% revenue which is expected as per the collection norm. Monitoring and verification of risk mitigation plans is done continuously.

## 5.7 HUMAN RESOURCE AND REMUNERATION COMMITTEE



### **5.7.1 Mandate of the committee**

The Committee reviews the human resources management and remuneration policies and practices in the Entity and determines terms and conditions of employment of all staff levels.

The committee reviews the quarterly performance and is responsible for the annual performance review.

The Human Resources and Remuneration Committee was charged with putting in place a human resources strategy that ensures proper human resources practices and remuneration philosophy.

This saw the reviewing of human resources policies, practices and procedures, introduction of best practice in respect of terms and conditions of employment, salary benchmarking, talent management and the application of a proper performance management system in line with the parent municipality.

The Human Resources and Remuneration Committee was charged with putting in place a human resources strategy that breath in proper human resources practices and remuneration philosophy.

This saw the reviewing of human resources policies, practices and procedures, introduction of best practice in respect of terms and conditions of employment, salary benchmarking, talent management and the application of a proper performance management system in line with the parent municipality.

#### **Highlights**

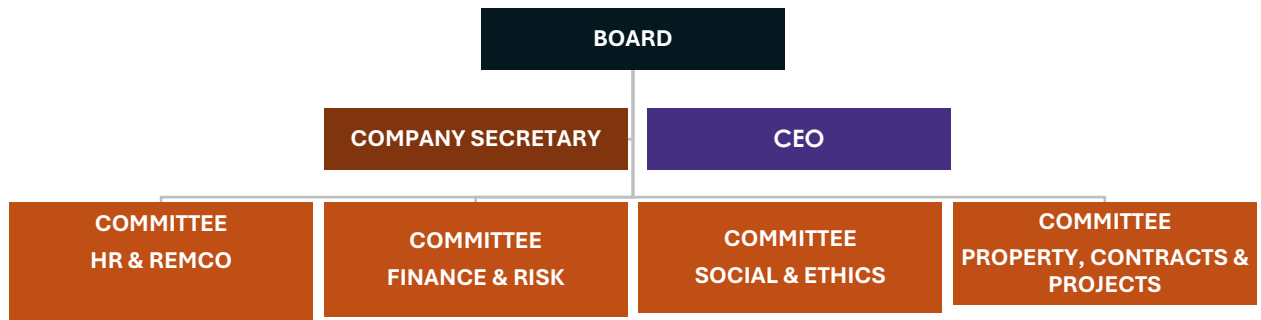
- The development and implementation of a Human Resource Strategy to guide the HR functions.
- Reviewal of Human Resource policies
- Submission of WSP

#### **Challenges**

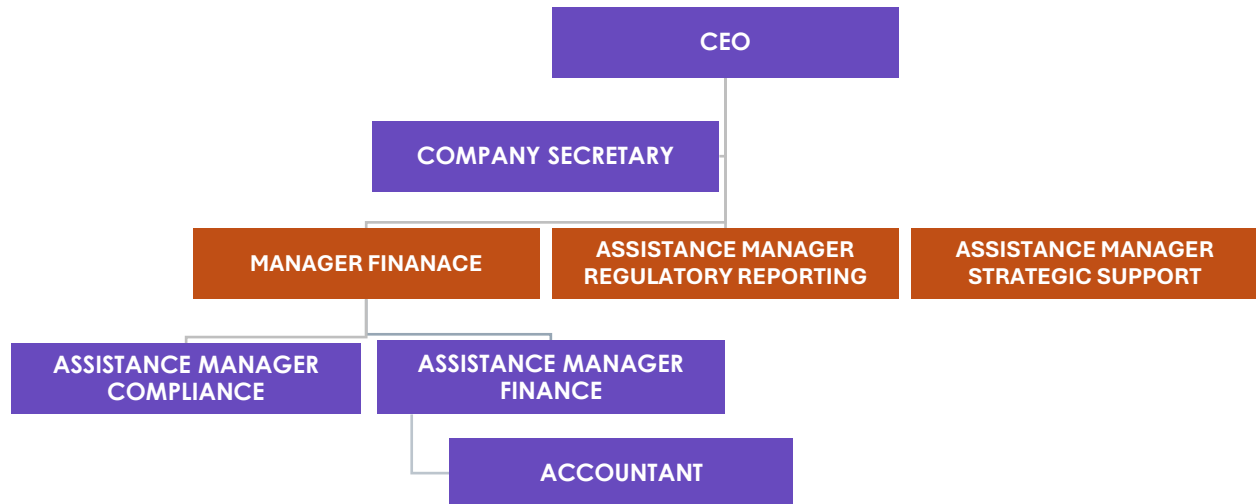
- The organisation has not been able to operate at full potential due to vacancies.
- Overburdened officials.
- Insufficient funds to train and develop officials

### **Organisational Structure**

#### **Board Structure**



### High Level Organisational Structure



### 5.8 SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee (Committee) is constituted as a formal Committee in terms of the Companies Act and this report is prepared in compliance with the requirements of the

Companies Act. The Committee operates according to the Terms of Reference (TOR) which stipulates the composition, role, responsibilities, and duties of the Committee. The Terms of Reference is reviewed from time to time.

The Board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the company's inception. The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and on the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the company's stakeholders.

### **5.8.1 Mandate of the Social and Ethics Committee**

In terms of the TOR the mandate of the Social & Ethics Committee is to assist the Board in, inter alia, the following:

- To monitor the organisation's activities, having regard to all relevant pieces of legislation
  - the Broad-Based Black Economic Empowerment Act; and
  - the Employment Equity Act
- promotion of equality, prevention of unfair discrimination, and reduction of corruption.
- contribution to development of the communities in which its activities are predominantly marketed.
- record of sponsorship, donations and charitable giving.
- the environment, health and public safety, including the impact of the Organisation's activities and of its products or services.
- consumer relationships, including the Organisation's advertising, public relations and compliance with consumer protection laws.
  - the Organisation's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
  - the Organisation's employment relationships and its contribution toward the educational development of its employees.
  - bring matters within its mandate to the attention of the Board as may be occasionally required; and

- to report, through one of its members, to the shareholders at the Organisation's annual general meeting on the matters within its mandate.

### **5.8.2 Social & Ethics Committee Terms of Reference**

The Social & Ethics Committee has adopted formal Terms of Reference which have been approved by the Board of Directors. The Committee has conducted its affairs in compliance with these Terms of Reference and has discharged its responsibilities contained therein.

### **5.8.3 Composition**

- In accordance with the relevant provisions of the Companies Act and applying the recommendations of King III, the Social & Ethics Committee consists of a majority of independent non-executive directors, one of whom chairs the Committee's meetings ensure that independent judgement is brought to bear. The Chief Executive is also a member of this Committee. Members and the Chairman of this Committee are elected by the Board.
- Senior management of the Company attend meetings of the Committee as appropriate.

### **Corporate Social Performance**

The Committee measured the impact of its decisions or activities on society in the following areas:

- Unethical behaviors and practices
- Health and Hygiene and public safety (Environmental health and public safety)
- Environmental Sustainability Consideration (Environmental health and public safety)
- Fair Competition and Local Economic Development

### **Corporate Ethics Performance**

The King IV Report also emphasizes the responsibility of the board of directors to ensure that the ethics of the company is governed well. The ethics management process that the board ensured is implemented in the company consists of four aspects:

1. Development and Maintenance of Risk register
2. Safety and Security in the complexes
3. Ethics Standards
4. Internal and external reporting
  - Internal reporting – Audit Team
  - External reporting – Annual report

### **Focus Areas for The Review**

During the period under review, the Committee has considered the following reports:

- Financial performance
- Human Capital
- Project and property performance
- Customers and other stakeholders

There were no unethical issues reported.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

### **Key Focus Areas for The Year Ahead**

The key focus areas for the Committee for financial year 2023 are:

- Committee terms of reference and policy reviews
- Succession plan – Board and CEO
- Transact on MSCOA compliant financial system (MUNSOFT) as per National Treasury requirement.
- Compliance matrix
- Stakeholder relations
- Human Capital Strategy
- Clearing of Unauthorized, Irregular and Fruitless

#### **5.8.4 Suppliers and Business Partners /Supply Chain**

The Board of Directors of a municipal entity must maintain oversight over the implementation of its Supply Chain Management policy. For such oversight, the Accounting Officer must submit a

report on the implementation of the municipal entity's Supply Chain Management to the Board of Directors, who must then submit to the Accounting Officer of the parent municipality for the submission to the municipal Council.

## Human Capital

- **Training and Development**

There has been no anomaly in respect of training and development of employees. The accreditation of Social Housing Regulatory Authority saw employees being trained on the basics of SHRA and they now understand and comply with regulating authority's policy and regulation. The entity is registered with CETA and therefore would be receiving grants that will assist with the training and development of employees.

- **Employee Wellness**

The entity thrives on the shareholder's health screening sessions.

Health promotion awareness campaigns are conducted with the aim of raising/educating employees about social problems or illness which could affect them and ways to prevent them.

The shareholder also celebrates special events, like, women's day/month, team building, etc., as and when the budget permits, the entity piggybacks on such and allows officials to be part of the celebrations.

**Table: Schedule of Committee Meetings**

Surname & initials	1 <sup>st</sup> Quarter (27 August 2023)	2 <sup>nd</sup> Quarter (19 November 2023)	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
<b>Finance and Risk Committee</b>				
M Gololo	✓	✓	No meeting was held as the board of directors contract ended in January 2024	
O Galane	✓	✓		
S Maimela	✓	✓		
S Sepape	✓	N/a		

M Masekoameng	N/a	✓		
A Makomoto	N/a	✓		
M Pheeha	N/a	✓		
<b>Human Resource and Remuneration Committee</b>				
S Vilakazi	✓	✓		
M Kgosana	✓	✓		
S Maimela	✓	✓		
S Sepape	✓	N/a		
A Makomoto	N/a	✓		
M Pheeha	N/a	✓		
<b>Property, Contracts &amp; Projects</b>				
O Galane	✓	✓		
M Gololo	✓	✓		
S Maimela	✓	✓		
S Sepape	✓	N/a		
A Makomoto	N/a	✓		
M Pheeha	N/a	✓		
<b>SOCIAL &amp; ETHICS</b>				
M Kgosana	✓	✓		
O Galane	✓	✓		
S Maimela	✓	✓		
S Sepape	✓	N/a		
A Makomoto	✓	✓		

M Pheeha	N/a	✓		
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## CHAPTER 06: AUDITOR GENERAL AUDIT FINDINGS

FINDINGS	INTERVENTIONS
<ul style="list-style-type: none"> <li>Rental revenue is incorrectly classified as agency fees.</li> </ul>	<ul style="list-style-type: none"> <li>The entity will now henceforth classify the income from Seshego CRU as Rental this would be in line with GRAP 9.</li> </ul>
<ul style="list-style-type: none"> <li>Director's fees incorrectly included in the employee related cost</li> </ul>	<ul style="list-style-type: none"> <li>The entity used to include the Directors fees as employee cost but going forward the entity will separate the Directors emoluments from employee related cost(s) and disclose them separately.</li> </ul>
<ul style="list-style-type: none"> <li>Overstatement of Receivable from non-exchange and Payables from non-exchange.</li> </ul>	<ul style="list-style-type: none"> <li>The entity will make sure that all journals that are agreed to with auditors are supported and well documented to avoid recurrence of this. This year all recommended journals were supported and filed.</li> </ul>
<ul style="list-style-type: none"> <li>Understatement of related party (Polokwane Municipality) transactions.</li> </ul>	<ul style="list-style-type: none"> <li>The entity will cross-reference with PLK Municipality to ensure that every expenditure paid for on behalf of PHA is correctly accounted for.</li> </ul>
<ul style="list-style-type: none"> <li>Contingent Asset disclosure omitted on Annual Financial Statements.</li> </ul>	<ul style="list-style-type: none"> <li>The entity will make sure that thorough review of AFS is done to ensure full completeness comparatively.</li> </ul>



## **CHAPTER 07: SERVICE DELIVERY PERFORMANCE**

### **Service Delivery Performance and Challenges during the 2023/24 Financial Year**

7.1 Section 46 (1) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities and municipal entities to prepare the performance report that reflects the performance of the entity and that of its external service providers.

7.2 Polokwane Housing Association had two (2) properties under its management which marked up its service delivery and performance benchmarks. Further, Polokwane Housing Association wishes to highlight that the entity had one (1) new project which reached completion in November during 2022/23 financial year. The project tenanting period was revised from November 2022 to an anticipated date of August 2024 due to insufficient water pressure as well as cashflow challenges experienced.

7.3 The properties under management also experience various challenges ranging from:

- Rental boycott which led to poor rental collection, as well as.
- Cashflow

#### **Management Measures taken to improve performance:**

- The entity together with the parent municipality drawn up a Cash flow schedule for the project to avoid any further delays due to Cashflow.
- The entity had sourced funding and received the grant to erect the much-needed elevated water tanks to boost water pressure at the project.
- The Entity reported embarked on a legal battle to have defaulters evicted to boost revenue collection and improve cashflow. The entity obtained a court order to evict all those that are not complying with the rules of the entity as far as rent payment is concerned.

Management through its maintenance policy has made provision for planned maintenance that will be conducted as soon as the evictions are concluded and new tenants placed in the units which will boost the rental collection

### Core business/ services delivery

Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio Evidence
<b>Core Business/ Basic Service Delivery</b>													
CEO1	Improve quality of living	Maintenance	No of Maintenance requests received and attended to by 30 June 2024	#	1-Jul-23	30-Jun-24	15	200	200	311	Positive variance of 111 as a result of high volume of maintenance requests from tenants	None	Maintenance request logbook and forms that will show when the request was logged and closed
CEO2			Number of new fire hydrants purchased for Ga-Rena and C.R.U by 30 June 2024	#	1-Jul-23	30-Jun-24	10	48	40	0 Target not met	The KPI was incorrectly captured as Fire Hydrants instead of Fire Extinguishers. As a result, the entity purchased 40 fire extinguishers inline with its intended plans as these were to be placed inside the buildings.	The APP for 2024/2025 has been revised to reflect the correct indicator	Purchase orders and delivery notes
CEO3			Number of fire hydrants serviced for Ga-Rena and C.R.U by 30 June 2024	#	1-Jul-23	30-Jun-24	10	188	188	0 Target not met	The KPI was incorrectly captured as Fire Hydrants instead of Fire Extinguishers. As a result, the entity serviced fire extinguishers in line with its intended plans.	The APP for 2024/2025 has been revised to reflect the correct indicator	Purchase orders and proof of work done

Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio Evidence
CEO4		SHRA Compliance	Number of monthly projects progress report compiled and submitted to SHRA by 30 June 2024	#	1-Jul-23	30-Jun-24	10	12	12	12	None	None	Monthly projects reports or proof of submission to SHRA
CEO5			Number of project reporting tools compiled and submitted to SHRA by 30 June 2024	#	1-Jul-23	30-Jun-24	10	4	4 Project Reporting Tools compiled and submitted to SHRA	4	None	None	Project Reporting Tools or proof of submission

## Financial viability

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to improve performance	Portfolio of Evidence
<b>Financial Viability</b>													
CEO9	Enhance revenue and asset base	Revenue Management	% of PHA rental housing units occupied by 30 June 2024	%	1-Jul-23	30-Jun-24	20	91%	95%	97%	2%-Over-achievement as a result of additional units acquired from previous eviction process which were maintained & re-let	None	Monthly occupancy reports
CEO10			% of rental collected by 30 June 2024	%	1-Jul-23	30-Jun-24	20	57%	95%	58%	Nonpayment by some tenants is the main reason for not meeting the target.	Implementation of credit management policy. Eviction was secured and the tenants were evicted	Monthly financial reports (section 71)
CEO11		Budget and Reporting	Maintain unqualified audit opinion by 30 December 2023	Date	1-Jul-23	30-Dec-23	20	Unqualified audit opinion	Maintain unqualified audit opinion	Maintained unqualified audit opinion	None	None	AGSA Audit opinion report
CEO12			Development of the Audit Action Plan for AG Report by 31 January 2024	Date	1-Jul-23	31-Jan-24	20	Developed Audit Action Plan Jan 23	Develop Audit Action Plan by 31 Jan 2024	Developed Audit Action Plan by 31 January 2024	None	None	Developed Audit Action Plan

Ref		Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to improve performance	Portfolio of Evidence
CEO13		Assets Management	Complete Physical Asset Verification for moveable and immovable assets by 15 August 2023	Date	1-Jul-23	15-Aug-23	20	Completed physical asset verification	Complete Physical Asset Verification for moveable and immovable assets by 15 August 2023	Completed Physical Asset Verification for moveable and immovable assets by 15 August 2023	None	None	Completed physical asset verification report

## Governance and transformation

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio of Evidence
<b>Governance and Transformation</b>													
CEO22	Improve admin and governance capacity	Budget and Reporting	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 August 2023	Date	1-Jul-23	31-Aug-23	15	31-Aug-22	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 August 2023	Submitted AFS to Auditor General South Africa by 31 August 2023	None	None	Signed AFS and proof of submission to AG
CEO23			Prepare and submit revised Budget to the Shareholder by 28 Feb 2024	Date	1-Jul-23	28-Feb-24	10	28-Feb-23	Prepare and submit revised Budget to the Shareholder by 28 Feb 2024	submitted revised budget to the shareholder by 19 February 2024	None	None	Revised budget or proof of submission
CEO24			Prepare and submit the final Entity Budget to the Shareholder by 30 April 2024	Date	1-Jul-23	30-Apr-24	5	30-Apr-23	Prepare and submit the final Entity Budget to the Shareholder by 30 April 2024	Prepared and submitted final entity budget to the shareholder by 18 April 2024	None	None	Final budget or proof of submission
CEO25		Performance Management	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2023	Date	1-Jul-23	20-Dec-23	5	20-Dec-22	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2023	Submitted entity's annual report to shareholders by 20 December 2023	None	None	Final Annual Report or proof of submission

Ref			Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio of Evidence
CEO26			Number of Institutional Quarterly Performance Report compiled by 30 June 2024	#	1-Jul-23	30-Jun-24	5	4	4 Institutional Quarterly Performance Report compiled	4	None	None	Institutional Quarterly Performance Report
CEO27			Development and submission the Mid-Year Budget and Performance Assessment Report and submission to shareholder and board by 20 January 2024	Date	1-Jul-23	20-Jan-24	5	20-Jan-23	Develop and submit the Mid-Year Budget and Performance Assessment Report to shareholder and the board by 20 January 2024	submitted mid-year budget and performance assessment to shareholders by 18 January 2024	None	None	Mid-Year Budget and Performance Assessment Report and proof of submission
CEO28			Make public the Mid-Year Budget and Performance Assessment Report by 30 January 2024	Date	1-Jul-23	30-Jan-24	5	30-Jan-23	Make public the Mid-Year Budget and Performance Assessment Report by 30 January 2024	Mid-year budget and performance assessment was made public 12 February 2024	Target not achieved, oversight from management	Regular review of annual performance plan	Public notice on notice board and Municipal website
CEO29		CIPC Compliance	Submit the Annual Returns and/or amendments to CIPC by 30 July 2023	Date	1-Jul-23	30-Jul-23	5	Jul-22	Submit the Annual Returns and/or amendments to CIPC by 30 July 2023	Submitted the annual returns to CIPC 7 July 2023	None	None	Annual Returns and/or amendments and proof of submission

Ref		Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio of Evidence
CEO14	Secretariat	Number of ordinary Board meetings scheduled and convened by 30 June 2024	#	1-Jul-23	30-Jun-24	5	4	4 ordinary Board meeting scheduled and convened	1 Ordinary Board Meeting and 1 special Board Meeting held	The board members contract expired, hence there was no ordinary board meeting but only 1 ordinary and 1 special Board meeting was held in line with the expiry date of the Board members contracts.	Appointment of the new Board of directors in line with the Council resolution	Meeting notices, Agenda, Minutes and Attendance registers
CEO15		Number of ordinary Committee meetings scheduled and convened by 30 June 2024	#	1-Jul-23	30-Jun-24	5	16	16 Committee meetings scheduled and convened	8 meeting were held Target not met	The board members contract expired, hence there was no ordinary board meeting but only 8 sub-committee meetings held in line with the expiry date of the Board members contracts.	Appointment of the new Board of directors in line with the Council resolution	Meeting notices, Agenda, Minutes and attendance registers
C EO16		Convene AGM by 30 May 2024	Date	1-Jul-23	30-May-24	5	22-May-23	Convene AGM by 30 May 2024	Target not met	The board members contract expired,	Appointment of the new Board of directors in	Meeting notices, Agenda, Minutes and



Ref	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio of Evidence
CEO17	Convene Annual Strategic Planning Session by 30 May 2024	Date	1-Jul-23	30-May-24	5	22-May-23	Convene Annual Strategic Planning Session by 30 May 2024	Annual strategic plan session was convened 12 April 2024	None	None	Meeting notices, Agenda, Minutes and attendance registers
CEO18	Development of the Institutional Risk Register by 30 June 2024	Date	1-Jul-23	30-Jun-24	5	30-Jun-23	Develop Institutional Risk Register by 30 June 2024	Developed Institutional Risk Register 24 May 2024	None	None	Approved Institutional Risk register
CEO19	Number of quarterly Institutional Risk Register progress reports compiled by 30 June 2024	#	1-Jul-23	30-Jun-24	5	4	4 Institutional Risk Register progress reports compiled	Institutional Risk Registers progress reports compiled and served at the Risk Management Committee	None	None	Institutional Risk Register progress reports
CEO20	Submission of Reviewed of WSP to LGSETA by 30 April 2024	Date	1-Jul-23	30-April-2024	5	30-April-2023	Submit reviewed WSP to LGSETA by 30 April 2024	Submitted reviewed WSP to LGSETA by 29 April 2024	None	None	Reviewed WSP and proof of submission
CEO21	Number of training/workshops convened by 30 June 2024	#	1-Jul-23	30-Jun-24	5	2	2 trainings/workshops convened	2 training workshops convened	None	None	Invitations and attendance registers

## CHAPTER 08: AUDITOR GENERAL'S AUDIT REPORT

8.1 The entity received an unqualified audit opinion in the 22/23 financial year. The entity has regressed from unqualified audit opinion to a qualified opinion in the current financial year

### Analysis of the audit opinions over the past five financial years

2023/24	2022/23	2021/22	2020/21	2019/2020	2018/19
Qualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

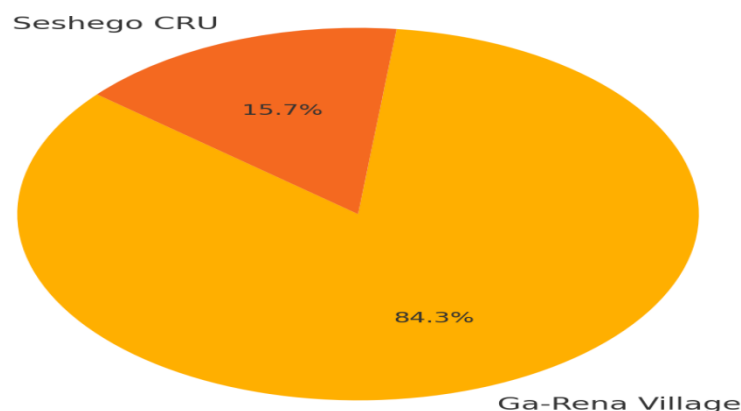
## CHAPTER 09: FINANCIAL PERFORMANCE

### 9.1 ANALYSIS OF REVENUE COMPONENT OF FINANCIAL STATEMENT

The entity's primary revenue sources are rental income from its housing units at Ga-Rena Village and the Seshego Community Residential Units (CRU). For the fiscal year ended June 30, 2024, the entity generated a total revenue of R12,120,177, with Ga-Rena Village contributing R10,218,105 and Seshego CRU adding R1,902,072. Additionally, the entity completed construction on the Ladanna Extension 2 project in November 2022. This new development is expected to boost the entity's annual revenue by an estimated R15,000,000, providing a significant increase in financial resources to support ongoing and future operations.

#### ILLUSTRATION A

Revenue Breakdown by Source (Percentage of Total)



*Here's a pie chart showing the revenue breakdown by source, with Ga-Rena Village and Seshego CRU contributions displayed as a percentage of the total revenue for the year ended*

*June 30, 2024. This visual helps illustrate the relative share of each revenue stream in the entity's overall revenue*

## **9.2 ANALYSIS OPERATING EXPENDITURE COMPONENT OF FINANCIAL STATEMENT**

As of June 30, 2024, the entity reported total expenditures of R44.2 million. Notably, R2.1 million of this amount was spent on legal fees related to the eviction of tenants in arrears, a measure taken to improve revenue collection. Additionally, security expenses amounted to R3.5 million, covering various facilities, including Annadale Phase 2, which remains untenanted. Of the total expenditure, R23.6 million consists of non-cash items, which likely include depreciation, amortization, or other adjustments that impact financial statements without affecting cash flow. This expenditure breakdown reflects both operational cash outflows and strategic costs incurred to support the entity's long-term financial health.

## **9.3 ASSET AND LIABILITY MANAGEMENT COMPONENT OF FINANCIAL STATEMENT**

The entity holds a combined asset base valued at R421 million, encompassing both non-current and current assets. Its total liabilities amount to R14 million, with a substantial portion—R9.2 million—related to work-in-progress (WIP) payables. This WIP payable is designated for settlement with funds from the Social Housing Regulatory Authority (SHRA), which will disburse the amount to the entity, and the entity will subsequently pay the contractor upon tenanting of Annadale Extension 2. The project, Annadale Extension 2, has been completed and reclassified as Property, Plant, and Equipment on the balance sheet as of the end of the 2023 financial year, with tenant occupancy expected to commence by December 31, 2024.

## **9.4 LIABILITY MANAGEMENT**

The entity currently has no long-term liabilities, a positive indicator of its low gearing, as it reduces financial leverage and reliance on debt. All of its obligations fall under current liabilities, totaling R14 million. A significant portion of this, R9 million, represents payables to contractors working on Ladanna Extension 2. This liability is backed by secured grants designated for this purpose, ensuring that these obligations will be met in full. This financial structure underscores the entity's

ability to settle its short-term debt promptly, supporting its stability and capacity to continue operating as a going concern.

### **9.5 COMPLIANCE COMPONENT OF FINANCIAL STATEMENT**

The entity's financial statements are prepared in full compliance with the Standards of Generally Recognised Accounting Practice (GRAP). This adherence ensures that the financial reporting meets established guidelines for transparency, consistency, and reliability, providing stakeholders with an accurate and comparable view of the entity's financial position, performance, and cash flows. Compliance with GRAP reflects the entity's commitment to maintaining high standards in financial reporting, as required for public sector entities.

### **9.6 CASH FLOW MANAGEMENT**

The entity is managing its cash flow closely to ensure it can meet daily obligations, despite currently facing a lower collection rate. To address this, the entity has developed a revenue enhancement strategy that will be rolled out in 2024. This strategy aims to boost the collection rate through several initiatives, including the appointment of debt collectors, to improve cash inflows and strengthen financial stability.

### **9.7 BORROWING AND INVESTMENTS**

The entity currently holds no investments or borrowings, which contributes to a low-risk financial profile with minimal exposure to debt obligations or investment-related risks. This conservative approach aligns with its focus on managing cash flow carefully to cover daily operations, particularly given the challenges posed by a lower collection rate. The attached financial statements should provide a comprehensive view of the entity's financial health, cash flow, and asset management as it implements its revenue enhancement strategy in 2024.

## Notice

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Document enquiries can be directed at Polokwane Housing Association:

Cnr, Landros Mare and Bodenstein Street, Polokwane, 0700, **SOUTH AFRICA**

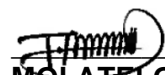
Attention : MOLATELO MASHEGO  
: Acting Chief Executive Officer

Telephone : (015) 295 5402

Fax : (015) 295 6259

## Approval

The signatories hereof, being duly authorized thereto, by their signatures hereto authorize the execution of the work detailed herein, or confirm their acceptance of the contents thereof and authorize the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them.



\_\_\_\_\_  
**MOLATELO MASHEGO**  
**Acting Chief Executive Officer:**



*"A Promise Delivered"*

**ANNUAL PERFORMANCE REPORT  
2023-2024**

**Prepared in Terms of  
Section 121 of the Municipal Finance Management Act, 56 of 2003 and section 46 of the  
Municipal Systems Act, 32 of 2000**



## CORPORATE ADMINISTRATION

### Thabatshweu Housing Company (Pty) Ltd.

Company Registration Number: 2005/012521/07

Bankers FNB

**Registered Address for the Company:** Corner Landros Mare & Bodenstein Street  
Polokwane  
0700

**Postal Address** P O Box 1157  
Ladanna  
0704

**Telephone Number:** (015) 291 2314

**Fax Number:** (015) 295 6259

**Website:** [www.polokwane.gov.za](http://www.polokwane.gov.za)

**E-Mail Address** Lutendor@polokwane.gov.za

**Auditors:** Auditor General – South Africa

**Directors:** **Period: 01 February 2021 - 31 January 2024**

Ms Sara Mashabela - Board Chair

Ms Asnath Kgosana

Mr Matsobane Gololo

Mr Oupa Galane

**Period: 01 Jun 2024 to-date**

Mr Emeritus Kgoshi Setlamorago Thobejane-  
Board Chair

Adv Tlou Ramashia

Mr Aubrey Mokgola

Ms KM Choenyana

Ms MJ Boshielo

Mr Samson Vilakazi

**Chief Executive Officer:** Mr Shimi Maimela (01 July – 30 November 2023)

Ms Molatelo Mashego (*Acting CEO*, 01 December  
2023 to date)

**Company Secretary** Mr Abraham Makomoto (*Acting COSEC*,  
November 2023 to date)

## PERFORMANCE AGAINST PLANNED TARGETS

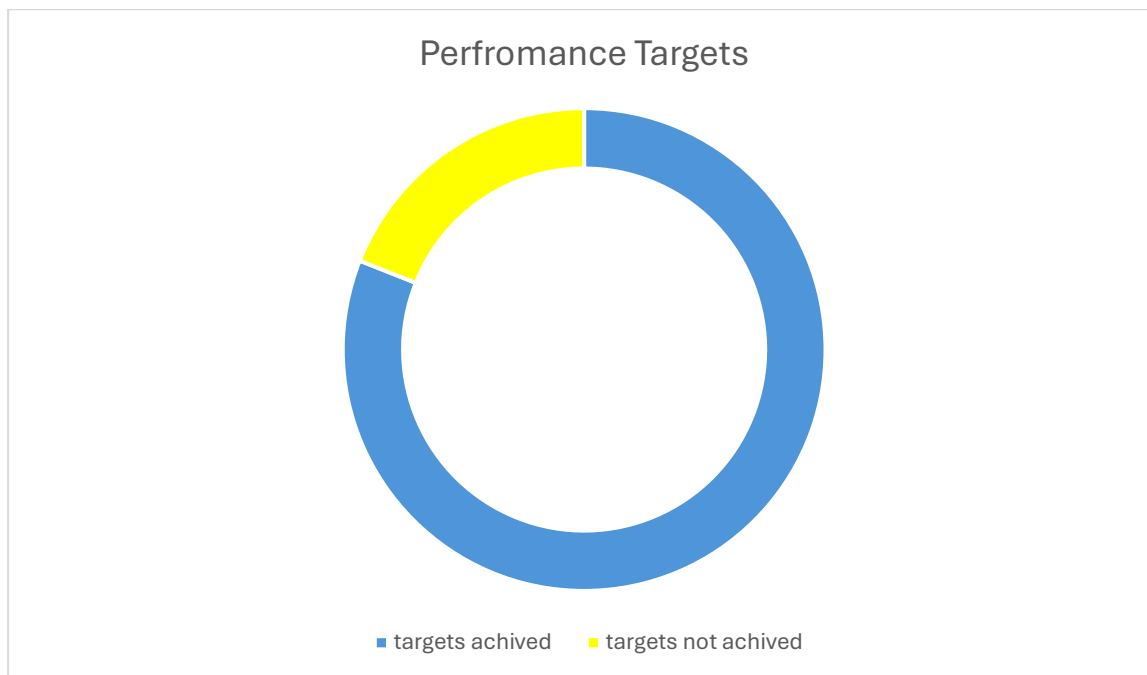
Polokwane Housing Association Board approved the 2023-2024 Annual Performance Plan in its ordinary Board meeting which was subsequently signed by the Chairperson of the Board. The 2023-2024 Annual Performance Plan has 26 key performance indicators that are categorised into three (3) key performance areas, namely:

- Core Business
- Financial Viability
- Governance and transformation

### 1.1. Summary of Performance Against Planned Targets

KPA	No of KPI'S as per APP	No of Targets achieved	No of Targets not achieved
Service Delivery	5	5	0
Financial Viability	5	4	1
Governance and Transformation	16	13	4
<b>Total</b>	<b>26</b>	<b>21</b>	<b>5</b>
<b>Total In%</b>	<b>100%</b>	<b>81%</b>	<b>19%</b>

### Illustration of targets achieved, and targets not achieved.





## 1.2. Summary of targets not achieved

<b>Performance Indicators</b>	<b>challenges</b>	<b>Measure to improve</b>
% of rental collected by 30 June 2024	Non-payment by some tenants is the main reason for not meeting the target.	Implementation of credit management policy. Eviction was secured and the tenants were evicted
Make public the Mid-Year Budget and Performance Assessment Report by 30 January 2024	Oversight from management	Regular review of annual performance plan
Number of ordinary Board meetings scheduled and convened by 30 June 2024	The board members contract expired on the 31 January 2024, hence there was no ordinary board meeting but only 1 ordinary and 1 special Board meeting was held in line with the expiry date of the Board members contracts. In instances of non-availability of the Board of Directors, s57(2) of the Companies Act, as amended by s37 gives powers to the shareholder to exercise oversight and powers on any matter of the entity for as long as is permitted by the MOI. Further, the PHA MOI gives powers to the CEO to exercise any such powers as deemed necessary for the organisation.	Appointment of the new Board of directors in line with the Council resolution  New annual Board Calendar developed which would assist in monitoring the annual planned Board sittings
Number of ordinary Committee meetings scheduled and convened by 30 June 2024	The board members contract expired on the 31 January 2024, hence there was no committee meeting held ,but only 8 sub-committee meetings held in line with the expiry date of the Board members contracts. In instances of non-availability of the Board of Directors, s57(2) of the Companies Act,	Appointment of the new Board of directors in line with the Council resolution  New annual Board Calendar developed which would assist in monitoring the annual planned Sub-Committee sittings

	<p>as amended by s37 gives powers to the shareholder to exercise oversight and powers on any matter of the entity for as long as is permitted by the MOI. Further, the PHA MOI gives powers to the CEO to exercise any such powers as deemed necessary for the organisation.</p>	
<p>Convene AGM by 30 May 2024</p>	<p>The board members contract expired on the 31 January 2024, hence the AGM was not convened. In instances of non-availability of the Board of Directors, s57(2) of the Companies Act, as amended by s37 gives powers to the shareholder to exercise oversight and powers on any matter of the entity for as long as is permitted by the MOI. Further, the PHA MOI gives powers to the CEO to exercise any such powers as deemed necessary for the organisation.</p>	<p>Appointment of the new Board of directors in line with the Council resolution</p> <p>AGM to be convened as planned.</p>

## Core business/ services delivery

Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio of Evidence
<b>Core Business/ Basic Service Delivery</b>													
CEO1	Improve quality of living	Maintenance	No of Maintenance requests received and attended to by 30 June 2024	Number	1-Jul-23	30-Jun-24	15	200	200	311	Positive variance of 111 as a result of high volume of maintenance requests from tenants	None	Maintenance request logbook and forms that will show when the request was logged and closed
CEO2			Number of new fire hydrants purchased for Ga-Rena and C.R.U by 30 June 2024	Number	1-Jul-23	30-Jun-24	10	48	40	40	None	None	Purchase orders and delivery notes
CEO3			Number of fire hydrants serviced for Ga-Rena and C.R.U by 30 June 2024	Number	1-Jul-23	30-Jun-24	10	188	188	188	None	None	Purchase orders and proof of work done
CEO4		SHRA Compliance	Number of monthly projects progress report compiled and submitted to SHRA by 30 June 2024	Number	1-Jul-23	30-Jun-24	10	12	12	12	None	None	Monthly projects reports or proof of submission to SHRA
CEO5			Number of project reporting tools compiled and submitted to SHRA by 30 June 2024	Number	1-Jul-23	30-Jun-24	10	4	4	4	4	None	None

## Financial viability

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio of Evidence
<b>Financial Viability</b>													
CEO9	Enhance revenue and asset base	Revenue Management	% of PHA rental housing units occupied by 30 June 2024	Percentage	1-Jul-23	30-Jun-24	20	91%	95%	97%	2%-Over-achievement as a result of additional units acquired from previous eviction process which were maintained & re-let	None	Monthly occupancy reports
CEO10			% of rental collected by 30 June 2024	Percentage	1-Jul-23	30-Jun-24	20	57%	95%	58%	Nonpayment by some tenants is the main reason for not meeting the target.	Implementation of credit management policy. Eviction was secured and the tenants were evicted	Monthly financial reports (section 71)
CEO11		Budget and Reporting	Maintain unqualified audit opinion by 30 December 2023	Date	1-Jul-23	30-Dec-23	20	Unqualified audit opinion	Maintain unqualified audit opinion	Maintained unqualified audit opinion	None	None	AGSA Audit opinion report
CEO12			Development of the Audit Action Plan for AG Report by 31 January 2024	Date	1-Jul-23	31-Jan-24	20	Developed Audit Action Plan Jan 23	Develop Audit Action Plan by 31 Jan 2024	Developed Audit Action Plan by 31 January 2024	None	None	Developed Audit Action Plan

Ref		Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual achievement	Performance challenges/ variances	Measure to Improve performance	Portfolio of Evidence
CEO13		Assets Management	Complete Physical Asset Verification for moveable and immovable assets by 15 August 2023	Date	1-Jul-23	15-Aug-23	20	Completed physical asset verification	Complete Physical Asset Verification for moveable and immovable assets by 15 August 2023	Completed Physical Asset Verification for moveable and immovable assets by 15 August 2023	None	None	Completed physical asset verification report

## Governance and transformation

Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges / variances	Measure to improve performance	Portfolio of Evidence
<b>Governance and Transformation</b>													
CEO22	Improve admin and governance capacity	Budget and Reporting	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 August 2023	Date	1-Jul-23	31-Aug-23	15	31-Aug-22	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 August 2023	Submitted AFS to Auditor General South Africa by 30 August 2023	None	None	Signed AFS and proof of submission to AG
CEO23			Prepare and submit revised Budget to the Shareholder by 28 Feb 2024	Date	1-Jul-23	28-Feb-24	10	28-Feb-23	Prepare and submit revised Budget to the Shareholder by 28 Feb 2024	submitted revised budget to the shareholder by 20 February 2024	None	None	Revised budget or proof of submission
CEO24			Prepare and submit the final Entity Budget to the Shareholder by 30 April 2024	Date	1-Jul-23	30-Apr-24	5	30-Apr-23	Prepare and submit the final Entity Budget to the Shareholder by 30 April 2024	Prepared and submitted final entity budget to the shareholder by 18 April 2024	None	None	Final budget or proof of submission
CEO25		Performance Management	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2023	Date	1-Jul-23	20-Dec-23	5	20-Dec-22	Prepare and submit the Entity Annual Report to the Shareholder by 20 December 2023	Submitted entity's annual report to shareholders by 20 December 2023	None	None	Final Annual Report or proof of submission

Ref			Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges / variances	Measure to improve performance	Portfolio of Evidence
CEO26			Number of Institutional Quarterly Performance Report compiled by 30 June 2024	Number	1-Jul-23	30-Jun-24	5	4	4 Institutional Quarterly Performance Report compiled	4	None	None	Institutional Quarterly Performance Report
CEO27			Development and submission the Mid-Year Budget and Performance Assessment Report and submission to shareholder by 20 January 2024	Date	1-Jul-23	20-Jan-24	5	20-Jan-23	Develop and submit the Mid-Year Budget and Performance Assessment Report to shareholder by 20 January 2024	submitted mid-year budget and performance assessment to shareholders by 18 January 2024	None	None	Mid-Year Budget and Performance Assessment Report and proof of submission
CEO28			Make public the Mid-Year Budget and Performance Assessment Report by 30 January 24	Date	1-Jul-23	30-Jan-24	5	30-Jan-23	Make public the Mid-Year Budget and Performance Assessment Report by 30 January 2024	Mid-year budget and performance assessment was made public 12 February 2024	Target not achieved, oversight from management	Regular review of annual performance plan	Public notice on notice board and Municipal website
CEO29		CIPC Compliance	Submit the Annual Returns and/or amendments to CIPC by 30 July 2023	Date	1-Jul-23	30-Jul-23	5	Jul-22	Submit the Annual Returns and/or amendments to CIPC by 30 July 2023	Submitted the annual returns to CIPC on the 6 July 2023	None	None	Annual Returns and/or amendments and proof of submission

Ref			Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges / variances	Measure to Improve performance	Portfolio of Evidence
CEO14		Secretariat	Number of ordinary Board meetings scheduled and convened by 30 June 2024	Number	1-Jul-23	30-Jun-24	5	4	4 ordinary Board meeting scheduled and convened	1 Ordinary Board Meeting and 1 special Board Meeting held	The board members contract expired on the 31 January 2024, hence there was no ordinary board meeting but only 1 ordinary and 1 special Board meeting was held in line with the expiry date of the Board members contracts. In instances of non-availability of the Board of Directors, s57(2) of the Companies Act, as amended by s37 gives powers to the shareholder to exercise oversight	Appointment of the new Board of directors in line with the Council resolution  New annual Board Calendar developed which would assist in monitoring the annual planned Board sittings	Meeting notices, Agenda, Minutes and Attendance registers



										and powers on any matter of the entity for as long as is permitted by the MOI. Further, the PHA MOI gives powers to the CEO to exercise any such powers as deemed necessary for the organisation.		
CEO15		Number of ordinary Committee meetings scheduled and convened by 30 June 2024	Number	1-Jul-23	30-Jun-24	5	16	16 Committee meetings scheduled and convened	8 meeting were held Target not met	The board members contract expired on the 31 January 2024, hence there was no committee meeting held, but only 8 sub-committee meetings held in line with the expiry date of the Board members contracts. In instances of non-availability of the Board of Directors,	Appointment of the new Board of directors in line with the Council resolution  New annual Board Calendar developed which would assist in monitoring the annual planned Sub-Committee sittings	Meeting notices, Agenda, Minutes and attendance registers

										s57(2) of the Companies Act, as amended by s37 gives powers to the shareholder to exercise oversight and powers on any matter of the entity for as long as is permitted by the MOI. Further, the PHA MOI gives powers to the CEO to exercise any such powers as deemed necessary for the organisation.		
C EO16		Convene AGM by 30 May 2024	Date	1-Jul-23	30-May-24	5	22-May-23	Convene AGM by 30 May 2024	Target not met	The board members contract expired on the 31 January 2024, hence the AGM was not convened. In instances of non-availability of the	Appointment of the new Board of directors in line with the Council resolution  AGM to be convened as planned.	Meeting notices, Agenda, Minutes and attendance registers



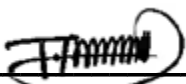
Ref			Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual achievement	Performance challenges / variances	Measure to improve performance	Portfolio of Evidence
CEO17			Convene Annual Strategic Planning Session by 30 May 2024	Date	1-Jul-23	30-May-24	5	22-May-23	Convene Annual Strategic Planning Session by 30 May 2024	Annual strategic plan session was convened 12 April 2024	None	None	Meeting notices, Agenda, Minutes and attendance registers
CEO18		Risk Management	Development of the Institutional Risk Register by 30 June 2024	Date	1-Jul-23	30-Jun-24	5	30-Jun-23	Develop Institutional Risk Register by 30 June 2024	Developed Institutional Risk Register 24 May 2024	None	None	Approved Institutional Risk register
CEO19			Number of quarterly Institutional Risk Register progress reports compiled by 30 June 2024	Number	1-Jul-23	30-Jun-24	5	4	4 Institutional Risk Register progress reports compiled	Institutional Risk Registers progress reports compiled and served at the Risk Management Committee	None	None	Institutional Risk Register progress reports
CEO20			Submission of Reviewed WSP to LGSETA by 30 April 2024	Date	1-Jul-23	30-April-2024	5	30-April-2023	Submit reviewed WSP to LGSETA by 30 April 2024	Submitted reviewed WSP to LGSETA by 29 April 2024	None	None	Reviewed WSP and proof of submission
CEO21			Number of training/workshops convened by 30 June 2024	Number	1-Jul-23	30-Jun-24	5	2	2 trainings/workshops convened	2 training workshops convened	None	None	Invitations and attendance registers

## 2. COMPARISON OF PREVIOUS YEAR'S PERFORMANCE AGAINST CURRENT

Key Performance Area	2022/2023 Planned Targets	2022/2023 Actual Achievement	2023/2024 Planned Targets	2023/2024 Actual Achievement
Service Delivery	5	5	5	5
Financial Viability	5	3	5	4
Governance and Transformation	16	12	16	13
Total	<b>26</b>	<b>20</b>	<b>26</b>	<b>21</b>
Total In%	<b>100%</b>	<b>77%</b>	<b>100%</b>	<b>81%</b>

### Approval

This document was reviewed and approved by the designated oversight authority:



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**MS. MOLATELO MASHEGO**  
**ACTING CHIEF EXECUTIVE OFFICER**

**31 August 2024**

**DATE**

# Report of the auditor-general to the Limpopo Provincial Legislature on the Polokwane Housing Association

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Polokwane Housing Association set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and 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, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Polokwane Housing Association as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Companies Act 71 of 2008.

### Basis for qualified opinion

#### Receivables from exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for receivables from exchange transactions, as underlying records were not maintained and available. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the receivables from exchange transactions, as stated at R77 617 014 in note 3 to the financial statements.

### Context for opinion

4. 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.
5. I am independent of the entity 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.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of matters**

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

### **Restatement of corresponding figures**

8. As disclosed in note 29 to the financial statements, the corresponding figures for previous year end date were restated as a result of an error in the financial statements of the entity at, and for the year ended, 30 June 2024.

### **Impairments – trade debtors**

9. As disclosed in note 17 to the financial statements, R5 479 782 was impaired as a result of the entity's inability to recover the debts.

## **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 GRAP and the requirements of the MFMA, and the Companies Act; 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 entity'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 entity 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 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 9 of the annexure to the auditor's report, forms part of our 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 the core business objective presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.
  - No of maintenance requests received and attended by 30 June 2024
  - Number of new fire hydrants purchased for Ga-Rena and C.R.U by 30 June 2024
  - Number of fire hydrants serviced for Ga-Rena and C.R.U by 30 June 2024
  - Number of monthly projects progress report compiled and submitted to SHRA by 30 June 2024
  - Number of project reporting tools compiled and submitted to SHRA by 30 June 2024
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 entity'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 entity's mandate and the achievement of its planned objectives
  - all the indicators relevant for measuring the entity'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 presented in the annual performance report in the prescribed manner



- there is adequate supporting evidence for the achievements reported and for the reasons provided for any 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 matters

20. I draw attention to the matters 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. This information should be considered in the context of the material findings on the reported performance information.

22. The table that follows provides information on the achievement of planned targets and list the service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 6 to 15.

### Core business / service delivery

<i>Targets achieved: 60%</i>		
<i>Budget spent: 100%</i>		
<b>Service delivery indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
Number of new fire hydrants purchased for Ga-Rena and C.R.U by 30 June 2024	40	0
Number of fire hydrants serviced for Ga-Rena and C.R.U by 30 June 2024	188	0

### Material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the Core business objective. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

## Report on compliance with legislation

24. 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 entity's compliance with legislation.
25. 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.
26. 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 entity, 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.
27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Expenditure management

28. Money owed by the municipal entity was not always paid within 30 days, as required by section 99(2)(b) of the MFMA.

### Revenue management

29. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 97(h) of the MFMA.

### Annual financial statements, performance reports and annual reports

30. The annual financial statements were not submitted to the auditor-general for auditing within two months after the end of the financial year, as required by section 126(2)(b) of the MFMA.
31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the supporting records relating to current assets that could not be provided resulted in the financial statements receiving a qualified audit opinion.

### Procurement and contract management

32. The preference point system was not applied in procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act.

#### Other information in the annual report

33. The accounting officer is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in objective presented in the annual performance report that have been specifically reported on in this auditor's report.
34. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
35. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### Internal control deficiencies

36. 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.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report
38. The accounting officer and management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
39. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls.
40. The accounting officer and management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.
41. The accounting officer and management did not develop and monitor the implementation of action plans to address internal control deficiencies
42. The accounting officer and management did not implement controls over daily and monthly processing and reconciling of transactions

43. The accounting officer and management did not review and monitor compliance with applicable laws and regulations.

Auditor General

Polokwane

30 November 2024



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

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

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the entity'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 entity'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 entity 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 an entity 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
Companies Act 71 of 2008	Co Act section 46(1)(a) Co Act section 46(1)(b) Co Act section 46(1)(c)
Municipal Finance Management Act 56 of 2003	Section 122(1) Section 126(2)(b) Section 133(1)(a) Section 133(1)(c)(i) Section 133(1)(c)(ii) Section 87(6)(c) Section 87(8) Section 95(d) Section 99(2)(a) Section 99(2)(b) Section 99(2)(c) Section 62(1)(f)(i) Section 62(1)(f)(ii) Section 62(1)(f)(iii) Section 97(e) Section 97(f) Section 97(h) Section 97(i) Section 87(5)(b) Section 87(5)(d) Section 87(5)(d)(i) Section 87(5)(d)(iii) Section 88(1)(a) Section 1 - paragraph (a), (b) & (d) of the definition: irregular expenditure Section 102(1) Section 102(2)(a) Section 170 Section 172(3)(a) Section 172(3)(b) Section 112(1)(j)

Legislation	Sections or regulations
	Section 116(2)(b) Section 116(2)(c)(ii)
Municipal Budget and Reporting Regulations, 2009	Regulation 73(1)(a) Regulation 73(1)(b) Regulation 73(2)(a) Regulation 73(2)(b) Regulation 73(2)(d) Regulation 75(1) Regulation 75(2)
Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulation 5(4) Regulation 6(8)(b) Regulation 10(1)
Municipal Supply Chain Management Regulations, 2005	Regulation 5 Regulation 12(1)(c) Regulation 12(3) Regulation 13(b) Regulation 13(c) Regulation 16(a) Regulation 17(1)(a) Regulation 17(1)(b) Regulation 17(1)(c) Regulation 19(a) Regulation 21(b) Regulation 22(1)(b)(i) Regulation 22(2) Regulation 27(2)(a) Regulation 27(2)(e) Regulation 28(1)(a)(i) Regulation 29(1)(a) Regulation 29(1)(b) Regulation 29(5)(a)(ii) Regulation 29(5)(b)(ii) Regulation 32 Regulation 36(1) Regulation 36(1)(a) Regulation 38(1)(c) Regulation 38(1)(d)(ii)



Legislation	Sections or regulations
	Regulation 38(1)(e) Regulation 38(1)(g)(i) Regulation 38(1)(g)(ii) Regulation 38(1)(g)(iii) Regulation 43 Regulation 44 Regulation 46(2)(e) Regulation 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17 Regulation 25(7A)
Municipal Systems Act 32 of 2000	Section 93B(a) Section 93C(a)(iv)
Preferential Procurement Policy Framework Act 5 of 2000	Section 2(1)(a) Section 2(1)(f)
Preferential Procurement Regulations, 2017	Regulation 4(1) Regulation 4(2) Regulation 5(1) Regulation 5(3) Regulation 5(6) Regulation 5(7) Regulation 6(1) Regulation 6(8) Regulation 7(1) Regulation 7(8) Regulation 8(2) Regulation 8(5) Regulation 9(1) Regulation 10(1) Regulation 10(2) Regulation 11(1) Regulation 11(2)
Preferential Procurement Regulations, 2022	Regulation 4(1) Regulation 4(2) Regulation 4(3)

Legislation	Sections or regulations
	Regulation 4(4) Regulation 5(1) Regulation 5(2) Regulation 5(3) Regulation 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)





Thabatshweu Housing Association (Pty) Ltd  
Trading as Polokwane Housing Association  
Audited Annual Financial Statements  
for the year ended June 30, 2024

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

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The reports and statements set out below comprise the audited annual financial statements presented to the Board of Directors :

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

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## General Information

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**Country of incorporation and domicile**

South Africa

**Legal form of entity**

Municipal entity

**Nature of business and principal activities**

Provision of low cost rental housing

### Executive management

#### Position

Chairperson of Board  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Chairperson of Board  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director

#### Name

Ms S Mashabela(Term ended 31 January 2024)  
Mr M Gololo(Term ended 31 January 2024)  
Ms M. Kgosana(Term ended 31 January 2024)  
Mr S. Vilakazi(Term ended 31 January 2024)  
Mr O. Galane(Term ended 31 January 2024)  
Mr S. Thobejane(Appointed 1 June 2024)  
Mr A. Mokgola(Appointed 1 June 2024)  
Mr T. Ramashia(Appointed 1 June 2024)  
Ms K. Choenyana(Appointed 1 June 2024)  
Ms M. Boshielo(Appointed 1 June 2024)

### Members of the Audit Committee

Chairperson  
Member  
Member  
Member  
Member

SAB Ngobeni  
R Maboe  
TA Lekoloane  
KA Mabitsela  
MD Mogano

### Acting Chief Executive Officer

Molatelo Mashego

The previous CEO, Shimi Maimela, concluded his tenure on November 30, 2023, marking the end of his contract. Following his departure, Ms. Molatelo Mashego has been seconded as the Acting CEO, stepping into the leadership role to guide the organization through this transitional period.

### Business address

Cnr Landdros Mare and Bodenstein Streets  
Civic Centre  
Polokwane  
0700

### Attorneys

Kgatla Incorporated

### Telephone

015 023 5000

### Bankers

First National Bank

### Auditors

Auditor-General of South Africa (AGSA)

### Website

[www.polokwane.gov.za](http://www.polokwane.gov.za)

### Email address

[Nombulelom@polokwane.gov.za](mailto:Nombulelom@polokwane.gov.za)

### Acting Secretary

Abraham Makomoto

# **Thabatshweu Housing Association (Pty) Ltd**

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## **General Information**

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**Appoinment Date(Company Secretary)**

November 2023- June 2024

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Abbreviations

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AGSA	Auditor General South Africa
GRAP	Generally Recognised Accounting Practice
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
PAYE	Pay As You Earn
PPE	Property, Plant and Equipment
SDL	Skills Development Levy
SARS	South African Revenue Service
SCM	Supply Chain Management
UIF	Unemployment Insurance Fund
VAT	Value Added Tax
CEO	Chief Executive Officer



# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Authority's Report

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The Accounting Authority submits their report for the year ended June 30, 2024.

### 1. General Information

#### Main business and operations

The municipal entity is an investment and management entity with trading controlled entities engaged in provision of low cost rental housing. The municipal entity operates principally in South Africa.

Net deficit of the municipal entity was R 12,630,461 (2023: deficit R 6,756,325).

### 2. Going concern

We draw attention to the fact that at June 30, 2024, the municipal entity had an accumulated surplus of R 303,559,037 and that the municipal entity's total assets exceed its liabilities by R421 348 698.

The unaudited annual financial statements have been prepared on the going concern basis, based on the entities positive cash flows and cash balances, the availability of unutilised funding facilities and the budgets for the period to June 2025, the board believes that the entity will continue to operate for at least the next 12 months.

### 3. Subsequent events

The Accounting Authority is not aware of any matter or circumstance arising since the end of the financial year, that may need to be adjusted for or disclosed in the Annual Financial Statements.

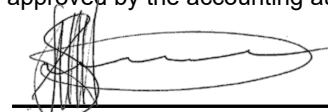
### 4. Share capital

There were no changes in the authorised or issued share capital of the municipal entity during the current year.

### 5. Auditors

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

The audited annual financial statements set out on pages 5 -46, which have been prepared on the going concern basis, were approved by the accounting authority on September 4, 2024 and were signed on its behalf by:



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**M.J. Mokaeanne**  
CEO

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Statement of Financial Position as at June 30, 2024

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	2,151,348	3,413,282
Receivables from exchange transactions	3	387,961	707,218
Receivables from non-exchange transactions	4	7,549	7,549
<b>Total Current Assets</b>		<b>2,546,858</b>	<b>4,128,049</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	5	436,014,752	449,636,996
Intangible assets	6	17,622	24,719
<b>Total Non-Current Assets</b>		<b>436,032,374</b>	<b>449,661,715</b>
<b>Total Assets</b>		<b>438,579,232</b>	<b>453,789,764</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	7	14,009,295	16,622,552
Trade and other payables from non-exchange transactions	8	8,310	8,309
Employee benefits	9	958,725	1,034,544
<b>Total Current Liabilities</b>		<b>14,976,330</b>	<b>17,665,405</b>
<b>Non-Current Liabilities</b>			
Employee benefits	9	859,000	750,000
<b>Total Liabilities</b>		<b>15,835,330</b>	<b>18,415,405</b>
<b>Net Assets</b>		<b>422,743,902</b>	<b>435,374,359</b>
<b>Net Assets presented by:</b>			
Accumulated surplus		304,954,242	317,584,698
Reserves and funds	10	117,788,661	117,788,661
Share capital	11	1,000	1,000
<b>Total Net Assets</b>		<b>422,743,903</b>	<b>435,374,359</b>

\* See Note 29

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Interests earned		-	2
Rental	12	12,149,177	11,485,722
<b>Total Exchange Revenue</b>		<b>12,149,177</b>	<b>11,485,724</b>
<b>Non-Exchange Revenue</b>			
Transfers and subsidies	13	18,074,300	9,191,403
Deposits forfeited	14	-	80,998
<b>Total Non-Exchange Revenue</b>		<b>18,074,300</b>	<b>9,272,401</b>
<b>Total Revenue</b>		<b>30,223,477</b>	<b>20,758,125</b>
<b>Expenditure</b>			
Employee related cost	15	11,382,272	9,886,262
Directors Remuneration	16	517,414	1,104,666
Debt impairment	17	5,479,782	4,686,053
Depreciation and amortisation	18	8,285,131	6,152,773
Impairment loss	19	8,469,159	1,950
Contracted services	20	4,566,360	3,312,351
Operational cost	21	4,142,192	2,370,395
Losses on disposal of assets	32	11,628	-
<b>Total Expenditure</b>		<b>42,853,938</b>	<b>27,514,450</b>
<b>Deficit for the year</b>		<b>(12,630,461)</b>	<b>(6,756,325)</b>

\* See Note 29

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Statement of changes in net assets

Figures in Rand	Share capital	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	1,000	117,788,661	295,658,444	413,448,105
Adjustments				
Correction of errors	-	-	28,682,578	28,682,578
<b>Balance at July 1, 2022 as restated*</b>	<b>1,000</b>	<b>117,788,661</b>	<b>324,341,022</b>	<b>442,130,683</b>
Surplus for the year	-	-	(6,756,325)	(6,756,325)
Total changes	-	-	(6,756,325)	(6,756,325)
<b>Restated* Balance at July 1, 2023</b>	<b>1,000</b>	<b>117,788,661</b>	<b>317,584,702</b>	<b>435,374,363</b>
Surplus for the year	-	-	(12,630,461)	(12,630,461)
Total changes	-	-	(12,630,461)	(12,630,461)
<b>Balance at June 30, 2024</b>	<b>1,000</b>	<b>117,788,661</b>	<b>304,954,242</b>	<b>422,743,903</b>

\* See Note 29

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Operational revenue		6,919,038	7,325,186
Transfers and Subsidies – Operational		18,074,300	9,191,402
Interest		-	2
<b>Payments</b>			
Suppliers and employees		(21,085,279)	(14,762,269)
Finance charges		(33,414)	(36,479)
<b>Net cash from(used) operating activities</b>	23	<b>3,874,645</b>	<b>1,717,842</b>
<b>Cash flows from investing activities</b>			
<b>Payments</b>			
Capital assets		(5,136,579)	(674,999)
<b>Net cash flows from investing activities</b>		<b>(5,136,579)</b>	<b>(674,999)</b>
<b>Cash flows from financing activities</b>			
<b>Net increase/(decrease) in cash</b>		<b>(1,261,934)</b>	<b>1,042,843</b>
Cash and cash equivalents at year begin		3,413,282	2,370,439
		<b>2,151,348</b>	<b>3,413,282</b>

\* See Note 29

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

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## Comparison of Budget and Actual Amounts for the year ended June 30, 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reason for the material variance
Figures in Rand						
<b>2024</b>						
<b>Financial performance</b>						
<b>Revenue by source</b>						
<b>Exchange revenue</b>						
Rental from fixed assets	52,743,753	(15,000,000)	25,743,757	12,120,177	(13,623,580)	1
Operational revenue	115,000	108,000	223,000	29,000	(194,000)	2
	<b>52,858,753</b>	<b>(14,892,000)</b>	<b>25,966,757</b>	<b>12,149,177</b>	<b>(13,817,580)</b>	
<b>Non-exchange revenue</b>						
Transfer and subsidies - Operational	19,166,667	8,999,996	28,166,663	18,074,300	(10,092,363)	9
	<b>72,025,420</b>	<b>(17,892,000)</b>	<b>54,133,420</b>	<b>30,223,477</b>	<b>(23,909,943)</b>	
<b>Total Revenue by source (excl. capital transfers and contributions)</b>						
<b>Expenditure</b>						
Employee costs and directors remuneration	(32,174,072)	2,081,272	(30,092,800)	(11,899,686)	18,193,114	3
Depreciation and amortisation	(18,233,882)	3,727,860	(14,506,022)	(8,285,131)	6,220,891	4
Contracted services	(13,273,676)	(4,093,708)	(17,367,384)	(4,566,360)	12,801,024	5
Debt impairment	(15,333,333)	1,799,996	(13,533,337)	(5,479,782)	8,053,555	6
Operational costs	(3,158,397)	100,262	(3,058,135)	(4,142,192)	(1,084,057)	7
Losses on disposal of Assets	-	-	-	(11,628)	(11,628)	8
Impairment loss	-	-	-	(9,864,364)	(9,864,364)	8
	<b>(82,173,360)</b>	<b>3,615,682</b>	<b>(78,557,678)</b>	<b>(44,249,143)</b>	<b>34,308,535</b>	
<b>Deficit for the year</b>	<b>(10,147,940)</b>	<b>(14,276,318)</b>	<b>(24,424,258)</b>	<b>(14,025,666)</b>	<b>10,398,592</b>	

### Commentary:

1 - Variance is as a result of vacant units which were not available for rental in time.

2 - This variance is as a result of the entity not being able to bill Annerdale Extension 2 consequently less administration fees were billed by the entity.

3 - The variance is attributed to the time of the previous board of directors ending on the 31 January 2024 with the appointment of the new board only taking place on 1 June 2024. This vacancy in board activity has resulted in lower overall remuneration costs for the period. In addition to this, the CEO position has been vacant for 7 months. There were also vacant positions which were not filled at the beginning of the financial year

4 - The variance is due to the entity recognising prior period error for building subsequently, this led to a higher depreciation amount in the prior and current year.

5 - The variance is as a result of less repairs and maintenance due to less positive cash flow.

6 -

# Thabatshweu Housing Association (Pty) Ltd

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## Comparison of Budget and Actual Amounts for the year ended June 30, 2024

	Approved budget	*Budget adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Actual outcome as % of final budget	Actual outcome of original budget
Figures in Rand							

6 - The variance is due to the entity having improved collection rate which led to less impairment of debt, consequently the budget was adjusted for the same reasons.

7 - The entity spent less due to less collection rates hence the entity could not afford to spend on operational costs as budgeted.

8 - The variance is as a result of impairment loss and loss on derecognition of assets which was not anticipated and hence not budgeted for

9 - The variance is as a result of the grant of R3 million from SHRA for elevated tank for Annerdale Extension 2 that was not budgeted for.

# Thabatshweu Housing Association (Pty) Ltd

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Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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The unaudited annual financial statements of Thabatshweu Housing Association (Pty) Ltd for the year ended 30 June 2023 were authorised for issue by the Directors on 31 August 2023

Except as otherwise disclosed, these accounting policies are consistent in all material respects with those applied in previous years. The principal accounting policies applied in the preparation of these financial statements are set out below.

### 1. Summary of significant accounting policies

#### 1.1 Basis of preparation

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

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

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

#### 1.2 Functional and Presentation currency

Items included in the Annual Financial statements of the entity are measured using the functional currency of the primary economic environment in which the entity operates. The audited annual financial statements are presented in South African Rand, which is the functional currency of the municipal entity and all values are rounded to the nearest rand.

#### 1.3 Comparative figures

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

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

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

#### 1.4 Significant judgements and sources of estimation uncertainty

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



# Thabatshweu Housing Association (Pty) Ltd

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Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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### 1.4 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment testing

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

The municipality reviews and tests the carrying value of cash generating assets when events in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the discounted cash-flow projection assumption may change, which may then impact our estimations, and may then require a material adjustment to the carrying value of assets.

Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as exchange rates, inflation and interest.

#### Employee benefits

Provisions were raised and management determined an estimate based on the information available. The provision is discounted when the time value of money is material. Additional disclosure of these estimates of provisions are included in note 9 - Employee benefits

#### Useful lives of property, plant and equipment and other assets

The municipal entity's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate involves a matter of judgement based on the experience of the municipal entity with similar assets, and whether the assets will be sold or used to the end of their economic lives and the condition at the time. The municipal entity considers all the facts and circumstances estimating the useful lives of assets, which included the consideration of financial, technical and other facts. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than the previously estimated useful lives.

The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

#### Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

In the application of the municipal entity's accounting policies, which are described below, management is required to make judgement, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experiences and other factors that are considered too 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.

### 1.5 Property, plant and equipment

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

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

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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

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

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

#### Initial recognition and measurement

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

Examples of directly attributable costs are;

- (a) costs of employee benefits (as defined in the Standard of GRAP on Employee Benefits) arising directly from the construction or acquisition of the item of property, plant and equipment;
- (b) costs of site preparation;
- (c) initial delivery and handling costs;
- (d) installation and assembly costs;
- (e) costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced while bringing the asset to that location and condition (such as samples produced when testing equipment); and
- (f) professional fees

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

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

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

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

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

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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

#### Subsequent measurement – revaluation model

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 external independent values every four years. 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.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

When revalued assets are sold or retired, the amounts included in the revaluation reserve in respect of that assets, are transferred to accumulated surplus or deficit.

#### Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated using the straight line method, to allocate their cost or revalued amounts less their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the assets' future economic benefits or service potential are expected to be consumed by the municipal entity. 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:

---

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Office equipment	Straight-line	5-15 years
IT equipment	Straight-line	3-15 years
Buildings	Straight-line	50 years
Furniture and fittings	Straight-line	5-15 years

---

The estimated useful life, residual values and depreciation method are assessed at each reporting date on an indicator basis.

The useful lives, residual values and depreciation method are reviewed annually at the end of the financial year where there is any indication that the municipal entity's expectations about the residual amount and the useful life of an asset has changed since the preceding reporting date. Any adjustments arising from the annual review are applied prospectively.

Depreciation of an asset commences when the asset is ready for its intended use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, the term of the relevant lease. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready for use.

# Thabatshweu Housing Association (Pty) Ltd

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## Accounting Policies

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

#### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

Gains or losses are calculated as the difference between the carrying values of assets (Cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of financial performance as a gain or loss on disposal of property, plant and equipment.

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

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

#### Sub-heading

### 1.6 Intangible assets

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

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Item	Depreciation method	Average useful life
Computer software, other	Straight-line	3 - 5 years

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#### Initial recognition and measurement

Intangible assets are initially recognised at cost. The cost of an intangible assets is the purchase price and other costs attributable to bring the intangible assets to the location and condition necessary for it to be capable of operating in the manner intended by the municipal entity, or where an intangible assets is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost.

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

#### Subsequent measurement

Amortisation is calculated on cost, using the straight-line method, over the useful lives of the assets, which is estimated to be between 3 to 5 years upon initial recognition. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

#### Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible assets is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of financial performance.

### 1.7 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets

The municipal entity classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

# Thabatshweu Housing Association (Pty) Ltd

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## Accounting Policies

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### 1.7 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets (continued)

#### Impairment of cash-generating assets

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

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 best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

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.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

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 loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment of assets carried at revalued amount 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 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.

A municipal entity 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.

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

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

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

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 cash-generating unit to which the asset belongs is determined.

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

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

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

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

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## Accounting Policies

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### 1.7 Impairment of property, plant and equipment, investment property, intangible assets and heritage assets (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. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A municipal entity 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. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The municipal entity determines the classification of its financial instruments at initial recognition.

A financial instrument is recognised if the entity becomes a party to the contractual provisions of the instrument.

#### 1.8.1 Classification of financial instruments

##### Financial assets

A financial asset is any asset that is a cash or contractual right to receive cash. In accordance with GRAP 104 the Financial Assets of the municipal entity are classified as follows into the three categories allowed by this standard:

Financial asset at amortised cost being a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Financial assets measured at fair value being financial assets that meet either of the following conditions:

- Derivatives;
- Combined instruments that are designated at fair value;
- Instruments held for trading;
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; or
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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

The municipal entity has the following types of financial assets as reflected on the face of the Variance explanation or in the notes thereto:

**Type of financial asset**  
Consumer debtors  
Other debtors  
Bank balances and cash

**Classification in terms of GRAP 104**  
Financial assets at amortised cost  
Financial assets at amortised cost  
Financial assets at amortised cost

# Thabatshweu Housing Association (Pty) Ltd

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## Accounting Policies

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### 1.8 Financial instruments (continued)

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

#### Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

The following main categories of financial liabilities and the classification determining how they are measured exist:

- Financial liabilities measured at amortised cost; or
- Financial liabilities measured at fair value.

The municipal entity has the following types of financial liabilities as reflected on the face of the Variance explanation or in the notes thereto:

Type of financial liability	Classification in terms of GRAP 104
Other creditors	Financial liability at amortised cost

Any other financial liabilities should be classified as financial liabilities at amortised cost.

#### 1.8.2 Initial and subsequent measurement

##### Initial recognition and measurement

A financial instruments is recognised, when the municipal entity becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instruments not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added or deducted from the fair value, as appropriate on initial recognition.

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

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## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Subsequent measurement – Financial assets

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the municipal entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of financial performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of financial performance.

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably are subsequently measured at cost less any impairment. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any calculated impairment is recognised in the Statement of financial performance.

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 assets. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis.

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.

Financial assets measured at fair value are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the Statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Statement of financial performance.

#### Subsequent measurement – Financial liabilities

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of financial performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

### 1.8.3 Impairment of financial assets

#### Consumer debtors

Consumer debtors are assessed individually thereafter collectively, considering factors such as payment histories and ratios, qualitative factors e.g. correspondence from attorneys, disputes about certain accounts, etc.

#### Other debtors

Other debtors are reviewed individually considering payment histories and disputes about certain amounts. Provision for impairment is made accordingly.



# Thabatshweu Housing Association (Pty) Ltd

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Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### 1.8.4 Derecognition

##### Financial assets

The municipal entity derecognises financial assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets 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 municipal entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipal entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipal entity retains substantially all the risks and rewards of ownership of a transferred financial assets, the municipal entity continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

##### Financial liabilities

The municipal entity derecognises financial liabilities when, and only when, the municipal entity's obligations are discharged, cancelled or they expire.

### 1.9 Employee benefits

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

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

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

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

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### 1.9 Employee benefits (continued)

#### Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

#### Post-employment benefits

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

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

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

# Thabatshweu Housing Association (Pty) Ltd

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## Accounting Policies

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### 1.9 Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### 1.10 Provisions and contingencies

Provisions and contingencies are recognised when the municipal entity has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made.

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

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## Accounting Policies

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### 1.10 Provisions and contingencies (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 and contingencies 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 and contingencies 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 and contingencies 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 the Statement of financial performance as a finance cost as it occurs.

### 1.11 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.12 Revenue

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

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

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

Revenue from non-exchange transactions refers to transactions where the municipal entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount

Revenue from non-exchange transactions refers to transactions where the municipal entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount

### Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable

# Thabatshweu Housing Association (Pty) Ltd

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## Accounting Policies

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### 1.12 Revenue (continued)

#### 1.12.1 Revenue from exchange transactions

##### Rental

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

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipal entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

#### 1.12.2 Revenue from non-exchange transactions

##### Transfers and subsidies

##### Unconditional grants

Grant share allocations are recognised in revenue at the start of the financial year.

##### Conditional grants

Conditional grants recognised as revenue to the extent that the municipal entity has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested 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 municipal entity's interest it is recognised as interest earned in the Statement of financial performance.

##### Revenue recognition of unclaimed deposits

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

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

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

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

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

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

# Thabatshweu Housing Association (Pty) Ltd

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### 1.13 Unspent conditional grants

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipal entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent where the obligations have not been met, a liability is recognised.

### 1.14 Unauthorised expenditure

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA), defines Unauthorised expenditure as follows:

- Overspending of the total amount appropriated in the municipal entity's approved budget;
- Overspending of the total amount appropriated for a vote in the approved budget;
- Expenditure from a vote unrelated to the department or functional area covered by the vote;
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- Spending of an allocation referred to in the above paragraphs of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- A grant by the municipal entity otherwise than in accordance with this Act.

Section 1 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) also defines a Vote as:

- One of the main segments into which a budget of a municipal entity is divided for the appropriation of money for the different departments or functional areas of the municipal entity; and
- Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

The municipal entity uses the Municipal Standard Chart of Accounts (mSCOA) Functions and Sub-functions, previously the Government Finance Statistics (GFS) functions, as well as departments as the main groupings of segments of the municipal entity's budget segments within the municipal entity are grouped per department to facilitate greater accountability and budget implementation by the respective Executive Directors as well as per mSCOA classification to facilitate comparisons on a higher level.

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

### 1.15 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

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

### 1.16 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipal entity's supply chain management policy.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of financial performance and where recovered, it is subsequently accounted for as revenue in the Statement of financial performance.

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

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

# Thabatshweu Housing Association (Pty) Ltd

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## Accounting Policies

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### 1.16 Irregular expenditure (continued)

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

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

### 1.17 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

### 1.18 Budget information

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

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

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

The approved budget covers the fiscal period from 7/1/2023 to 6/30/2024.

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

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

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the annual financial statements in determining whether a difference between the budgeted and actual amount is material.

All comparisons of the budget and actual amounts shall be presented on a comparative basis to the budget. Comparative information includes the following:

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

### 1.19 Related parties and related party transactions

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Related parties include key management personnel, close members of family of key management and councillors.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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### 1.19 Related parties and related party transactions (continued)

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Key management personnel include all heads of department or members of the municipal council of the reporting municipal entity where that council has jurisdiction. The Council, together with the Municipal Manager and Section 57 employees has authority and responsibility to plan and control the activities of the municipal entity, to manage the resources and for the overall achievement of municipal objectives.

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

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

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

### 1.20 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipal entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipal entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.21 Change in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipal entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipal entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the audited annual financial statements where applicable.



# Thabatshweu Housing Association (Pty) Ltd

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Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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### 1.22 Materiality

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

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

### 1.23 Housing development reserve

Sections 15(5) and 16 of the Housing Act, 1997 (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipal entity maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund. The Housing Act also requires in terms of section 14(4)(d)(iii)(aa) read with, inter alia, section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the municipal entity for housing development, subject to the approval of the Provincial MEC responsible for housing. Loans from national and provincial government that were used to finance housing selling schemes were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- Housing Development Fund must have its own separate bank account or allocated investments and must be backed by cash or related assets.
- Any contributions to or from the fund must be shown as transfers in the Statement of changes in net assets.
- Interest earned on the investments backing up this fund must be recorded as part of interest earned in surplus or deficit for the year and can be transferred via the Statement of changes in net assets to the Housing Development Fund.

### 1.24 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are carried at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

### 1.25 New standards and interpretations

#### 1.1 Standards, amendments to standards and interpretations effective and adopted in the current year

In the current year, the municipal entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

##### Standard/ Interpretation:

	Effective date: Years beginning on or after	Expected impact:
• iGRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	The impact of the interpretation is not material.
• GRAP 25 (as revised): Employee Benefits	April 1, 2023	The impact of the amendment is not material.

# Thabatshweu Housing Association (Pty) Ltd

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Audited Annual Financial Statements for the year ended June 30, 2024

## Accounting Policies

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### 1.25 New standards and interpretations (continued)

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• iGRAP 7 (as revised): Limit on defined benefit asset, April 1, 2023 minimum funding requirements and their interaction</li><br/><li>• GRAP 1 (amended): Presentation of Financial Statements April 1, 2023 (Materiality)</li></ul> | <p>The impact of the interpretation is not material.</p> <p>The impact of the amendments are not material.</p> |
|--|--|

### 1.2 Standards, amendments to standards and interpretations issued, but not yet effective

The municipal entity has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the municipal entity's accounting periods beginning on or after July 1, 2024 or later periods:

#### Standard/ Interpretation:

	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
<ul style="list-style-type: none"><li>• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)</li><li>• GRAP 103 (as revised): Heritage Assets</li><li>• GRAP 106: Transfer of Functions Between Entities Not Under Common Control</li><li>• GRAP 104 (as revised): Financial Instruments</li></ul>	<p>April 1, 2099</p> <p>April 1, 2099</p> <p>April 1, 2099</p> <p>April 1, 2025</p>	<p>Unlikely there will be a material impact</p> <p>Unlikely there will be a material impact</p> <p>Unlikely there will be a material impact</p> <p>Not expected to impact results but may result in additional disclosure</p>

# Thabatshweu Housing Association (Pty) Ltd

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## Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
<b>2. Cash and cash equivalents</b>		
<b>2.1 Cash and cash equivalents</b>		
Cash and cash equivalents consist of the following:		
<b>Call deposits and investments</b>		
Other cash and cash equivalents	245	513
Short term deposits	1,949,946	1,793,849
	<b>1,950,191</b>	<b>1,794,362</b>
<b>Cash at bank</b>		
Bank account	201,097	1,618,860
Cash on hand	60	60
<b>Total cash and cash equivalents</b>	<b>2,151,348</b>	<b>3,413,282</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods, depending on the immediate cash requirements earn interest at the respective short-term deposit rate.

### Call deposits and investments by financial institution

#### 2.2 Bank accounts

The Municipal Entity has the following bank accounts:

First National Bank	FNB Bank - Annedale Ext 2 - cheque account - 62808280490	6,185	7,495
First National Bank	FNB Bank - Polokwane Ext 76 - cheque account - 62808279352	296	561
First National Bank	FNB Bank - 32 day interest plus account - 74372485836	1,949,946	1,793,849
First National Bank	FNB Bank - Refundable Deposit - cheque account - 62118359191	245	513
First National Bank	FNB Bank - Operational - cheque account - 62078322105	194,615	1,610,804
<b>Total</b>		<b>2,151,287</b>	<b>3,413,222</b>

The entity's First National Bank -32 day interest plus account-74372485836 with a balance of R1 949 475.45(2023-R1 793 849) is held for tenants deposits paid at inception of rental agreement.

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## Notes to the Audited Annual Financial Statements

Figures in Rand 2024 2023

### 2. Cash and cash equivalents (continued)

#### 2.3 Difference between cash book and bank statement

##### 2024

	Cash book	Bank statement
First National Bank - Annedale Ext 2 - 62808280490	6,185	6,185
First National Bank - Polokwane Ext 76 - 62808279352	296	296
First National Bank - 32 days notice - 74372485836	1,949,946	1,949,946
First National Bank - Refundable Deposit - 62118359191	245	245
First National Bank - Operational - 62078322105	194,615	194,615
	<b>2,151,287</b>	<b>2,151,287</b>

##### 2023

	Cash book	Bank statement
First National Bank - Annedale Ext 2 - 62808280490	7,495	7,495
First National Bank - Polokwane Ext 76 - 62808279352	561	561
First National Bank - 32 days notice - 74372485836	1,793,849	1,793,849
First National Bank - Refundable Deposit - 62118359191	513	513
First National Bank - Operational - 62078322105	1,610,804	1,610,804
	<b>3,413,222</b>	<b>3,413,222</b>

### 3. Receivables from exchange transactions

#### Trade service and consumer service debtors

	3.1		
Trade debtors		77,617,014	72,456,489
Less: Provision for doubtful debts		(77,252,162)	(71,772,380)
Staff Loans		23,109	23,109
		<b>387,961</b>	<b>707,218</b>

#### 3.1 Consumer receivables

	2024		2023	
	Gross	Total	Gross	Total
<b>Consumer receivables from exchange transactions</b>				
Trade debtors	77,617,014	<b>77,617,014</b>	72,456,489	<b>72,456,489</b>
Less: Provision for doubtful debt	(77,252,162)	<b>(77,252,162)</b>	(71,772,380)	<b>(71,772,380)</b>
Staff Loans	23,109	<b>23,109</b>	23,109	<b>23,109</b>
<b>Total consumer receivables from exchange transactions</b>	<b>387,961</b>	<b>387,961</b>	<b>707,218</b>	<b>707,218</b>

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand

### 3. Receivables from exchange transactions (continued)

#### 3.1.1 Ageing of impaired consumer receivables

2024

	Not due		Past due			
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Trade Debtors	<b>77,617,014</b>	856,701	809,778	752,580	721,706	74,476,249
Service charges	<b>23,109</b>	-	-	-	-	23,109
<b>Total by debt type</b>	<b>77,640,123</b>	<b>856,701</b>	<b>809,778</b>	<b>752,580</b>	<b>721,706</b>	<b>74,499,358</b>

2023

	Not due		Past due			
	Total	Current	30 days	60 days	90 days	120+ days
<b>Consumer receivables from exchange transactions</b>						
<b>Total by debt type</b>						
Trade Debtors	<b>72,456,489</b>	473,531	410,827	422,016	423,056	70,727,059
Staff Loans	<b>23,109</b>	-	-	-	-	23,109
<b>Total by debt type</b>	<b>72,479,598</b>	<b>473,531</b>	<b>410,827</b>	<b>422,016</b>	<b>423,056</b>	<b>70,750,168</b>

#### 3.1.2 Consumer receivables pledged as security

No consumer debtors are pledged as security

### 4. Receivables from non-exchange transactions

#### Other receivables

SARS PAYE

7,549

7,549

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

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Figures in Rand

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### 4. Receivables from non-exchange transactions (continued)

Current assets	7,549	7,549
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No receivables from non-exchange transactions have been held as collateral

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand

### 5. Property, plant and equipment

#### 5.1 Summary

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	109,779,250	-	109,779,250	109,779,250	-	109,779,250
Motor vehicle	175,542	(175,542)	-	-	-	-
Machiny and equipment	9,890	(1,886)	8,004	-	-	-
Furniture and office equipment	344,826	(301,274)	43,552	371,715	(324,415)	47,300
Computer equipment	207,082	(132,806)	74,276	197,992	(137,127)	60,865
Buildings	411,126,151	(88,090,781)	323,035,370	411,126,151	(71,376,570)	339,749,581
Construction Work-in-progress	3,074,300	-	3,074,300	-	-	-
<b>Total</b>	<b>524,717,041</b>	<b>(88,702,289)</b>	<b>436,014,752</b>	<b>521,475,108</b>	<b>(71,838,112)</b>	<b>449,636,996</b>

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	109,779,250	-	-	-	-	109,779,250
Machiny and Equipment	-	19,780	(8,828)	(2,948)	-	8,004
Furniture and office equipment	47,300	16,500	(579)	(19,669)	-	43,552
Computer equipment	60,865	25,999	(2,207)	(10,381)	-	74,276
Buildings	339,749,581	-	-	(8,245,052)	(8,469,159)	323,035,370
Construction Work-in-progress	-	3,074,300	-	-	-	3,074,300
	-	-	-	-	-	-
	<b>449,636,996</b>	<b>3,136,579</b>	<b>(11,614)</b>	<b>(8,278,050)</b>	<b>(8,469,159)</b>	<b>436,014,752</b>

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand 2024 2023

### 5. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Disposals	Transfers	Revaluations	Depreciation	Total
Land	79,483,185	-	-	30,296,065	-	109,779,250
Furniture and equipment	65,828	-	-	-	(18,528)	47,300
IT equipment	73,170	(1,950)	-	-	(10,355)	60,865
Buildings	105,226,831	-	231,463,407	9,174,802	(6,115,459)	339,749,581
	<b>184,849,014</b>	<b>(1,950)</b>	<b>231,463,407</b>	<b>39,470,867</b>	<b>(6,144,342)</b>	<b>449,636,996</b>

A register containing the information required by Section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipal entity.

#### Revaluations

The most recent revaluation was conducted on 30th June 2023 by MMB Consulting. MMB Consulting and its directors were not affiliated with the municipal entity at the time of the revaluation.

Land and Building are revalued independently every four years

The valuation for land is based on the market rate per square metre, taking into account the extent of the property.

All assumptions were based on current market conditions at the time of the valuation

### 5.2 Construction work in progress

#### 2024

#### Reconciliation of Work in progress

Opening balance	-	219,954,123
Additions/Capital expenditure	3,074,300	11,509,284
Transfers to completed assets	-	(231,463,407)
	<b>3,074,300</b>	<b>-</b>

### 5.3 Property, plant and equipment pledged as security

No assets have been pledged as security.

### 5.4 Maintenance of property, plant and equipment

#### 2024

The following maintenance costs were incurred:

	Land and buildings	Total
Contracted Services	499,747	499,747

#### 2023

The following maintenance costs were incurred:

	Land and buildings	Total
Contracted services	112,137	112,137



# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
<b>6. Intangible assets</b>		
<b>6.1 Reconciliation of carrying value</b>		
<b>2024</b>		
	Computer software	Total
<b>Opening carrying value as at July 1, 2023</b>		
Cost	83,676	83,676
Accumulated depreciation and impairment	(58,957)	(58,957)
	<b>24,719</b>	<b>24,719</b>
Amortisation	18 (7,097)	(7,097)
<b>Closing carrying value as at June 30, 2024</b>	<b>17,622</b>	<b>17,622</b>
Cost	83,676	83,676
Accumulated amortisation and impairment	(66,054)	(66,054)
	<b>17,622</b>	<b>17,622</b>
<b>2023</b>		
	Computer software	Total
<b>Opening carrying value as at July 1, 2022</b>		
Cost	83,676	83,676
Accumulated depreciation and impairment	(50,525)	(50,525)
	<b>33,151</b>	<b>33,151</b>
Amortisation	18 (8,432)	(8,432)
<b>Closing carrying value as at June 30, 2023</b>	<b>24,719</b>	<b>24,719</b>
Cost	83,676	83,676
Accumulated amortisation and impairment	(58,957)	(58,957)
	<b>24,719</b>	<b>24,719</b>
There are no intangible assets work in progress that are halted, delayed or taking a significantly long time to be developed in the current financial year.		
<b>6.2 Intangible assets pledged as security</b>		
No intangible assets are pledged as security.		
<b>7. Trade and other payables from exchange transactions</b>		
Control and clearing accounts	7.1 9,509	9,509
Other payables	7.2 13,999,786	16,613,043
<b>Total</b>	<b>14,009,295</b>	<b>16,622,552</b>
Current	14,009,295	16,622,552

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand

2024

2023

### 7. Trade and other payables from exchange transactions (continued)

#### 7.1 Control and clearing accounts

Salary Control - Employee Related Costs	562	562
Skills control	8,947	8,947
<b>Total</b>	<b>9,509</b>	<b>9,509</b>

#### 7.2 Other payables

Payables WIP	9,209,283	11,209,283
Payables and accruals	1,470,875	2,229,691
Unallocated receipts	1,310,531	1,380,220
Customer Deposits	2,009,097	1,793,849
<b>Total</b>	<b>13,999,786</b>	<b>16,613,043</b>

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand

### 8. Trade and other payables from non-exchange transactions

	2024		2023	
	Opening balance	Closing balance	Opening balance	Closing balance
<b>Capital</b>				
Monetary Allocations	8,310	<b>8,310</b>	8,309	<b>8,309</b>

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
<b>9. Employee benefits</b>			
Provisions	9.1	<u>1,817,725</u>	<u>1,784,544</u>
Current		958,725	1,034,544
Non-current		859,000	750,000
<b>9.1 Provisions</b>			
13th cheque	9.1.1	568,752	410,363
Leave	9.1.2	280,973	524,181
Long-service awards	9.1.3	968,000	850,000
<b>Total</b>		<b><u>1,817,725</u></b>	<b><u>1,784,544</u></b>
Current		958,725	1,034,544
Non-current		859,000	750,000
<b>9.1.1 13th cheque</b>			
Opening Balance		410,363	383,745
Additional provisions raised		158,389	26,618
<b>Total</b>		<b><u>568,752</u></b>	<b><u>410,363</u></b>
Current		568,752	410,363
<b>9.1.2 Leave</b>			
Opening Balance		524,181	1,029,887
Reductions (Payments, remeasurement etc.)		-	(505,706)
Reversals		(243,208)	-
<b>Total</b>		<b><u>280,973</u></b>	<b><u>524,181</u></b>
Current		280,973	524,181
<b>9.1.3 Long-service awards</b>			
Opening Balance		850,000	716,000
Current service cost		87,000	77,000
Interest		90,000	78,000
Benefits paid		(100,000)	(29,000)
Actuarial loss/(gain)		41,000	8,000
<b>Total</b>		<b><u>968,000</u></b>	<b><u>850,000</u></b>
Current		109,000	100,000
Non-current		859,000	750,000

### Key assumptions:

The following assumptions has been used to arrive at the provision carrying value as disclosed:

Discount rate: 11.26% (2023:11.21%)

CPI inflation rate: 5.54% (2023:5.35%)

General earnings inflation rate: 6.54% (2023: 6.35%)

Net discount rate: 4.43% (2023: 4.57%)

Average retirement age: 62

Mortality rate: SA85-90

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
<b>9. Employee benefits (continued)</b>		
Number of employees: 23(2023: 22)		
<b>10. Reserves and funds</b>		
Revaluation Reserve	<u>117,788,661</u>	<u>117,788,661</u>
<p>The Re-valuation reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Re-valuation reserve that relates to that asset, and is effectively realised, is transferred directly to Accumulated Surplus.</p> <p>Distributions from the Re-valuation reserve can be made when it is in accordance with the requirements of the municipal entity's accounting policy. The payment of cash distributions out of the reserve is restricted by the terms of the municipal entity's. These restrictions do not apply to any amounts transferred to the Accumulated Surplus. Board of Directos do not currently intend to make any distribution from the Re-valuation reserve.</p> <p>Refer to Statement of changes in net assets for more detail and the movement on Reserves.</p>		
<b>11. Share capital</b>		
<b>Authorised</b>		
	<u>1,000</u>	<u>1,000</u>
<b>Issued</b>		
	<u>1,000</u>	<u>1,000</u>
<b>12. Rental</b>		
Non-market related	<u>12,149,177</u>	<u>11,485,722</u>
<b>13. Transfers and subsidies - Revenue</b>		
<b>Operational</b>		
Monetary allocations	13.1 <u>15,000,000</u>	<u>9,191,403</u>
<b>Capital</b>		
Monetary allocations	13.2 <u>3,074,300</u>	<u>-</u>
<b>Total</b>	<b><u>18,074,300</u></b>	<b><u>9,191,403</u></b>
<b>13.1 Monetary allocations: Operational</b>		
Polokwane Municipality Operational Grant	<u>15,000,000</u>	<u>9,191,403</u>
<b>13.2 Monetary allocations: Capital</b>		
Social Housing Regulatory Authority	<u>3,074,300</u>	<u>-</u>
<b>14. Deposits forfeited</b>		
Deposits forfeited	<u>-</u>	<u>80,998</u>
<b>15. Employee related cost</b>		
Municipal entity staff	15.1 <u>11,382,272</u>	<u>9,886,262</u>

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
<b>15. Employee related cost (continued)</b>		
<b>15.1 Municipal entity staff costs</b>		
Basic salary	7,387,949	6,575,011
13th Cheque	568,751	410,363
Service-related benefits	112,062	30,066
Allowances	1,202,524	775,033
Bargaining council	949	845
Medical	492,718	460,288
Pension	1,275,987	1,012,389
Leave pay provision expense	292,862	575,491
Unemployment insurance	48,470	46,776
<b>Total</b>	<b>11,382,272</b>	<b>9,886,262</b>

The executive director emoluments are included in the above municipal staff costs.

This can be analysed as follows:

	Basic salary	Medical aid	Provident fund	UIF & SDL	Total
<b>2024</b>					
Chief Executive Officer	579,827	36,258	56,611	7,944	680,640
T.M Mashego	76,304	-	-	1,131	77,435
	<b>656,131</b>	<b>36,258</b>	<b>56,611</b>	<b>9,075</b>	<b>758,075</b>
<b>2023</b>					
Chief Executive Officer	1,171,578	73,238	105,304	16,729	1,366,849

The CEO's contract ended on November 30, 2023, marking the conclusion of their tenure with the municipal entity. As a result, the entity has initiated the process of hiring a new CEO. In the interim, Ms.Molatelo Mashego has been seconded by the parent municipality to act as CEO.

## 16. Directors Remuneration

Board members and entity costs	16.1	517,414	1,104,666
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### 16.1 Board members and entity costs

#### Allowances and service related benefits

Board members and entity costs	505,708	1,048,339
Allowances	11,706	56,327
	<b>517,414</b>	<b>1,104,666</b>

## 17. Provision for bad debts

Debt impairment	5,479,782	4,686,053
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The following key assumptions were used in estimating the debt impairment:

- any debtor owing the entity for more than three years will not be able to pay and hence fully impaired;
- debtors whose long outstanding debt is less than three years are subjected to being present value based on the prime rate and collection rate to determine the impairment amount.

## 18. Depreciation and amortisation

### Amortisation

Intangible assets	6.1	7,097	8,432
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# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
<b>18. Depreciation and amortisation (continued)</b>			
<b>Depreciation</b>			
Property, plant and equipment	5.1	8,278,034	6,144,341
<b>Total</b>		<b>8,285,131</b>	<b>6,152,773</b>
<b>19. Impairment loss</b>			
Property, plant and equipment	5.1	8,469,159	1,950
<b>20. Contracted services</b>			
Consultants and professional services	20.1	547,010	554,211
Maintenance of building and facilities	20.2	499,747	112,137
Security Services	20.3	3,519,603	2,646,003
<b>Total</b>		<b>4,566,360</b>	<b>3,312,351</b>
<b>20.1 Consultants and professional services</b>			
<b>Business advisory services</b>			
Accounting and auditing		546,608	554,211
Credit rating agencies		402	-
<b>Total business advisory services</b>		<b>547,010</b>	<b>554,211</b>
<b>20.2 Maintenance of building and facilities</b>			
<b>Maintenance services</b>			
Maintenance of buildings and facilities		499,747	112,137
<b>20.3 Security Services</b>			
<b>Trading services</b>			
Security Services		3,519,603	2,646,003
<b>21. Operational cost</b>			
Advertising, Publicity and Marketing		43,552	51,365
Bank Charges, Facility and Card Fees		33,414	36,479
External Audit Fees		1,381,768	1,199,993
Insurance Underwriting		255,457	219,395
Office Decorations		-	768
Printing, Publications and Books		1,843	4,743
Professional Bodies, Membership and Subscription		52,602	45,300
Registration Fees		32,707	33,576
Legal Fees		2,147,847	407,240
Skills Development Fund Levy		92,210	79,044
System Access and Information Fees		35,457	87,170
Travel and Subsistence		30,055	205,322
Uniform and Protective Clothing		35,280	-
<b>Total</b>		<b>4,142,192</b>	<b>2,370,395</b>
<b>22. Auditors remuneration</b>			
External Audit Fees		1,381,768	1,199,993

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
<b>23. Net cash from/(used) operating activities</b>		
Deficit for the year	(12,630,461)	(6,756,325)
<b>Adjustments for:</b>		
Depreciation and amortisation	8,285,131	6,152,773
Bad debts written off	5,479,782	4,686,053
(Gains) / Losses on disposal of assets	11,628	-
Increase / (Decrease) in provisions	33,181	370,911
Impairment loss	8,469,159	1,950
<b>Movement in working capital</b>		
(Increase) / Decrease in receivables from non-exchange transactions	-	804,707
(Increase) / Decrease in receivables from exchange transactions	(5,160,450)	(4,742,479)
Increase / (Decrease) in trade and other payables	(543,637)	1,504,015
Payments received in advance	21,686	(633,619)
Unidentified receipts	(91,374)	329,856
<b>Net cash flows from operating activities</b>	<b>3,874,645</b>	<b>1,717,842</b>

## 24. Financial instruments

### 24.1 Fair value of financial instruments

The management of the municipal entity is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the audited annual financial statements approximate their fair values. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Variance explanation, are as follow:

		2024		2023	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
<b>Amortised cost</b>					
Trade and other receivables from exchange transactions	3	387,961	387,961	707,218	707,218
Cash and cash equivalents	2	2,151,348	2,151,348	3,413,282	3,413,282
		<b>2,539,309</b>	<b>2,539,309</b>	<b>4,120,500</b>	<b>4,120,500</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
<b>Trade and other payables:</b>					
Trade and other payables from exchange transactions	7	14,009,295	14,009,295	16,622,552	16,622,552
<b>Total financial instruments</b>		<b>(11,469,986)</b>	<b>(11,469,986)</b>	<b>(12,265,930)</b>	<b>(12,265,930)</b>

The fair values of financial assets and financial liabilities are determined as follows:

Fair values for financial assets are based on quoted market prices in active markets for an identical instrument.

For financial liabilities the contractual undiscounted cash flow is used. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

### 24.2 Market risk

The municipal entity's activities expose it primarily to the financial risks of changes in interest rates (see Note 24.3 below). No formal policy exists to hedge volatilities in the interest rate market.



# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
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### 24. Financial instruments (continued)

#### 24.3 Interest rate risk

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 on financial assets consist mainly of fixed deposit investments and bank and cash balances.

The municipal entity is not exposed to a high level of interest rate risk on its financial liabilities. The municipal entity does not hold any interest bearing external loan liabilities. Similarly with financial assets, the municipal entity invests its surplus funds on call deposit interest rate deposits with banks for fixed terms not exceeding one year.

The municipal entity's maximum exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

#### 24.4 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board. The municipal entity manages liquidity risk by effectively managing its working capital, capital expenditure.

#### June 30, 2024

	Within 1 year
<b>Maturity analysis</b>	
Trade and other payables	<u>14,009,295</u>

#### June 30, 2023

	Within 1 year
<b>Maturity analysis</b>	
Trade and other payables	<u>16,622,552</u>

The municipal entity expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipal entity expects to maintain its current debt to equity ratio. This will be achieved through the annual increase in tariffs to maintain the accumulated surplus.

#### 24.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipal entity.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipal entity manages credit risk in its borrowing and investing activities by only dealing with well-established financial institutions of high credit standing, and by spreading its exposure over a range of such institutions in accordance with its approved investment policies. Credit risk relating to consumer debtors is managed in accordance with the municipal entity's credit control and debt collection policy. The municipal entity's credit exposure is spread over a large number and wide variety of consumers and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of consumer debtors is given in the accounting policies and Note 4 to the audited annual financial statements.

The municipal entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipal entity 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 carrying amount of financial assets recorded in the audited annual financial statements, which is net of impairment losses, represents the municipal entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand		2024	2023
<b>24. Financial instruments (continued)</b>			
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follow:			
Trade and other receivables from exchange transactions	3	387,961	707,218
Bank and cash balances	2	2,151,348	3,413,282
<b>Maximum credit and interest risk exposure</b>		<b>2,539,309</b>	<b>4,120,500</b>
<b>25. Unauthorised, irregular, fruitless and wasteful expenditure</b>			
<b>25.1 Unauthorised expenditure</b>			
Add: Unauthorised expenditure – current		9,315,017	-
<b>Current year unauthorised expenditure analysed as follows: non-cash</b>			
Impairment loss		8,469,159	-
Loss on derecognition of assets		11,628	-
Depreciation		834,230	-
		<b>9,315,017</b>	<b>-</b>
<b>25.2 Irregular expenditure</b>			
Opening balance as previously reported		21,262,037	21,159,110
Add: Irregular expenditure - current		509,104	-
Add: Irregular expenditure – prior period		-	102,927
Less: Amounts written-off – prior period		(19,266,314)	-
<b>Closing balance</b>		<b>2,504,827</b>	<b>21,262,037</b>
Irregular expenditure was identified due to non-compliance with the 2022 PPPFA Regulations, effective 16 January 2023. An amount of R499,747 has been confirmed as relating to the current year. The non-compliance also includes expenditure from the prior year, which is currently under investigation and yet to be quantified. Management is undertaking a comprehensive review to determine the full extent of the irregular expenditure and to address the underlying causes.			
Cases under investigation.			
Cases related to other non-compliance with laws, regulations, council policies and/or by-laws.		9,357	102,927
Cases related to non-compliance with procurement process requirements.		-	14,893
Cases related to other non-compliance with council policies and/or by-laws.		-	1,877,905
<b>Total</b>		<b>9,357</b>	<b>1,995,725</b>
<b>Amounts written-off</b>			
Following the council committee's investigation, the council adopted the recommendation to write off R19 266 314 from the total irregular expenditure, as it was proven beyond reasonable doubt that the amount was not recoverable			

# Thabatshweu Housing Association (Pty) Ltd

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Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand 2024 2023

### 25. Unauthorised, irregular, fruitless and wasteful expenditure (continued)

#### 25.3 Fruitless and wasteful expenditure

Opening balance as previously reported	494,400	494,400
Add: Fruitless and wasteful expenditure – current	-	-
Add: Fruitless and wasteful expenditure expenditure – prior period	-	-
Less: Amount recoverable – current	-	-
Less Amount recoverable – prior period	-	-
Less: Amounts written-off – current	(494,400)	-
Less: Amounts written-off – prior period	-	-
<b>Closing balance</b>	<b>-</b>	<b>494,400</b>

A total amount of R494,400, which was incurred in penalties due to the late payment of statutory expenses, including obligations to the South African Revenue Service (SARS), was written off following a council resolution dated 30 July 2024. This decision reflects the council's approach to addressing the financial repercussions of these delays, aiming to mitigate the impact on the organization's financial statements.

# Thabatsweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand

2024

2023

### 26. Related party disclosures

#### 26.1 Nature of related party relationships

Related party:

Directors

Ultimate company

Director

Nature of relationship:

Refer to directors' report note

Polokwane Municipality

Refer to Accounting Authority's Report

<b>Executive Director</b>	Basic Salary	Medical Aid	Provident Fund	UIF & SDL	Total
J.T Maimela	579,827	36,258	56,620	7,944	680,649
T.M Mashego	76,304	-	-	1,131	77,435
	<b>656,131</b>	<b>36,258</b>	<b>56,620</b>	<b>9,075</b>	<b>758,084</b>

#### Board members

	Directors fees	Travel	Other	Total
M J Gololo	64,589	-	-	64,589
A.M Kgosana	64,589	-	-	64,589
S.M Mashabela	247,353	3,604	-	250,957
S.M Vilakazi	64,589	-	-	64,589
O Galane	64,589	-	-	64,589
Other expenditure relating to directors	-	-	8,102	8,102
	<b>505,709</b>	<b>3,604</b>	<b>8,102</b>	<b>517,415</b>

#### 26.2 Related party transactions

##### Grants received from related party

Operational Grant	Source	15,000,000	9,191,404
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##### Expenditure paid by the parent municipality

Munsoft (Pty) Ltd(mSCOA financial system)	1,205,651	1,096,046
MMB Consulting(Asset consultant)	2,118,792	1,071,823
	<b>3,324,443</b>	<b>2,167,869</b>

1. Polokwane Municipality exempted Polokwane Housing Association from the liability for rates and taxes incurred by the latter.

2. There is a shared internal audit unit of Polokwane Municipality, which assists the municipal entity at no cost.

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

Figures in Rand	2024	2023
<b>27. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Audit fees</b>		
Current year subscription / fee	<u>1,381,768</u>	<u>1,199,993</u>
<b>UIF</b>		
Current year subscription / fee	<u>48,470</u>	<u>46,776</u>
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	<u>1,768,705</u>	<u>1,492,531</u>

### 28. Going concern

We draw attention to the fact that at June 30, 2024, the municipal entity had an accumulated surplus of R 304,954,242 and that the municipal entity's total liabilities exceed its assets by R 422,743,903.

The audited 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 ability of the municipal entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the municipal entity. The parent municipality has shown interest in continuing supporting the entity through operational grants until the entity is financially stable.

No material uncertainty exists that could otherwise cast significant doubt upon the entity's ability to continue as a going concern and therefore the entity will realize its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Management assessment is based on the following key indicators:

- the entity managed to maintain the same rate of average collection rate comparatively yearly, and in the last two months of financial year the entity collection rate increased which is encouraging
- the commitment of the parent municipality with operational grant.

Management has therefore determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

### 29. GRAP 3 adjustments

The following restatements and adjustments occurred which are set out below:

#### 29.1 Adjustments of Statement of Financial Position

2024

	Note	As previously reported	Correction of error	Restated
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2	3,413,282	-	3,413,282
Receivables from exchange transactions	3	707,218	-	707,218
Receivables from non-exchange transactions	4	7,549	-	7,549
		<b>4,128,049</b>	<b>-</b>	<b>4,128,049</b>
<b>Non-current assets</b>				
Property, plant and equipment	5	420,954,417	28,682,579	449,636,996
Intangible assets	6	24,719	-	24,719
		<b>420,979,136</b>	<b>28,682,579</b>	<b>449,661,715</b>
<b>Total Assets</b>		<b>425,107,185</b>	<b>69,348,223</b>	<b>-</b>
<b>Net assets and liabilities</b>				
<b>Current liabilities</b>				
Payables from exchange transactions	7	(16,386,430)	(236,122)	(16,622,552)
Employee benefits	9	(934,544)	(100,000)	(1,034,544)
		<b>(17,320,974)</b>	<b>(336,122)</b>	<b>(17,657,096)</b>
<b>Non-current liabilities</b>				
Employee benefits	9	-	(750,000)	(750,000)
<b>Total net assets</b>		<b>1,000</b>	<b>-</b>	<b>1,000</b>
Reserves and funds	10	117,788,661	-	117,788,661
Accumulated surplus		289,988,240	28,682,577	317,584,698
<b>Total net assets and liabilities</b>		<b>407,777,901</b>	<b>71,835,609</b>	<b>435,373,359</b>

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

### 29. GRAP 3 adjustments (continued)

#### 29.2 Adjustments of Statement of financial performance items

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
		-	-	-	-
<b>Revenue</b>					
<b>Non-exchange revenue</b>					
Transfers and subsidies	13	9,191,403	-	-	9,191,403
Deposits forfeited	14	80,998	-	-	80,998
		<b>9,272,401</b>	-	-	<b>9,272,401</b>
<b>Exchange revenue</b>					
Rental	12	11,485,722	-	-	11,485,722
<b>Total Revenue</b>		<b>20,758,123</b>	-	-	<b>48,698,614</b>
<b>Expenditure</b>					
Employee related cost	15	(8,952,836)	(850,000)	(83,425)	(9,886,262)
Directors Remuneration	16	(1,104,666)	-	-	(1,104,666)
Depreciation, amortisation and impairment	18	(5,336,839)	(815,934)	-	(6,152,773)
Contracted services	20	(599,120)	(67,228)	(2,646,003)	(3,312,351)
Operational cost	21	(4,930,929)	(168,894)	2,729,428	(2,370,395)
<b>Total expenditure</b>		<b>(20,924,390)</b>	<b>(1,902,056)</b>	-	<b>(22,826,447)</b>

#### 29.3 Correction of errors

The following prior period errors adjustments occurred:

##### Property , Plant and equipment

###### Nature of error

Balance previously reported	420,954,417
Recognition of Land not previously included in the fixed asset register	14,442,750
Adjusting 2023 closing accumulated depreciation not previously included in the fixed asset register	(26,445,395)
Recognition of building not previously included in the fixed asset register	40,685,223
	<b>449,636,995</b>

##### Depreciation and amortisation

###### Nature of error

Balance previously reported	5,336,839
Correction of prior year annual depreciation for building not included in the fixed asset register.	815,934
	<b>6,152,773</b>

# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

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### 29. GRAP 3 adjustments (continued)

#### Trade and other payables from exchange transactions

##### Nature of error

Balance previously reported	16,386,430
Audit committee not previously accounted for	37,429
Legal fees for services rendered in the previous year	168,894
Repairs and maintenance invoice for the work done in the prior year	29,800
	<u>16,622,553</u>

#### Employee benefits (current)

##### Nature of error

Balance previously reported	934,544
Long service award not previously accounted for	100,000
	-
	-
	-
	<u>1,034,544</u>

#### Employee benefits (non-current)

##### Nature of error

Balance previously reported	-
Long service award not previously accounted for	750,000
	<u>750,000</u>

#### Employee related costs

##### Nature of errors

Balance previously reported	(8,952,836)
Reclassification of cellphone allowance	(83,425)
Impact of expense relating to long service award	(850,000)
	<u>(9,886,261)</u>

#### Operational cost

Balance as previously reported	(4,930,929)
Reclassification of expenses to contracted services	2,646,003
Reclassification of expenses to employee cost	83,425
Legal fees not previously accounted for	(168,894)
	<u>(2,370,395)</u>

#### Contracted services



# Thabatshweu Housing Association (Pty) Ltd

Trading as Polokwane Housing Association

Audited Annual Financial Statements for the year ended June 30, 2024

## Notes to the Audited Annual Financial Statements

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### 29. GRAP 3 adjustments (continued)

#### Nature of error

Balance as previously reported		(599,120)
Reclassification of security services from operational cost		(2,646,003)
Expenses not previously accounted for		(67,228)
		<u>(3,312,351)</u>

### 30. Commitments

#### Total commitments

#### Total commitments

Authorised capital expenditure	3,921,353	-
Authorised operational expenditure	-	1,246,264
	<u>3,921,353</u>	<u>1,246,264</u>

### 31. Events after balance sheet date

The board are not aware of any matter or circumstance arising since the end of the financial year, that may need to be adjusted for or disclosed in the Annual Financial Statements

### 32. Gain/(Loss) on disposal of fixed and intangible assets

Loss on disposals	<u>(11,628)</u>	<u>-</u>
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# **REPORT OF THE AUDIT PERFORMANCE AND AUDIT PERFORMANCE AND AUDIT COMMITTEE ON POLOKWANE HOUSING ASSOCIATION (PHA)**

We are pleased to present our report for the financial year ended 30 June 2024.

## **Audit Performance and Audit Committee Structure**

Polokwane Housing Association has an Audit Performance and Audit Committee which is composed of five independent members and reports directly to Council

## **Audit Performance and Audit Committee Responsibility**

The Audit Performance and Audit Committee reports that it has complied with its responsibilities arising from Section 166 and 165 of the Municipal Finance Management Act and Treasury Regulation 3.1.13. The Audit Performance and Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Performance and Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein and the related code of conduct, policies and practices.

## **Stakeholder Engagement/s**

The committee has been able to engage with the following stakeholders:

- National and Limpopo Provincial Treasury
- Limpopo Municipality of Corporate Governance, Human Settlement and Traditional Affairs
- Limpopo SALGA
- Limpopo Provincial Auditor (AGSA)

## **The Effectiveness of Internal Control**

Based on the results of the formal documented review of the design, implementation and effectiveness of the municipality's system of internal controls conducted by the internal audit and AGSA during the financial year ended 30 June 2024, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Audit Performance and Audit

Committee concluded that the municipality's system of internal financial controls is not effective and material internal control breaches come to the Committee's attention.

### **Risk Management**

The Audit Performance and Audit Committee reviewed the municipality's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy and concluded that municipality's risk management maturity level is not satisfactorily, which is commendable.

### **In-Year Management and Monthly/Quarterly Report**

Based on the quarterly review of in-year monitoring systems and reports, the Audit Performance and Audit Committee is not satisfied with the quality, accuracy, uselessness, reliability, appropriateness and adequacy of the municipality in-year reporting systems.

### **Internal Audit Arrangement**

The Audit Performance and Audit Committee:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the reports of the Internal Auditors on the municipality's systems of internal control;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;

### **Combined assurance**

The Audit Performance and Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were adequate to address all significant risks facing the municipality.

## **Compliance with the relevant laws and regulations**

The Audit Performance and Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the municipality did not materially comply with the enabling laws and regulations as well as its municipality policies and standard operating procedures.

## **Evaluation of Annual Financial Statements**

Following the review by the Audit Performance and Audit Committee of the draft annual financial statements for the year ended 30 June 2024 before and after the audit, the committee is of the view that, annual financial statements fairly present the financial performance of the municipality for the year under review and can be incorporated into the annual report.

## **Evaluation of Annual Performance Report**

Following the review by the Audit Performance and Audit Committee of the annual performance report for the year ended 30 June 2024 before and after the audit, the committee is of the view that, draft annual performance report fairly presents the non-financial performance of the municipality for the year under review and can be incorporated into the annual report.

## **Consideration of the Final Audit report**

The Audit Performance and Audit Committee considered final audit report and concurred with the AGSA's unqualified audit opinion. Furthermore, the Audit Performance and Audit Committee commended the municipality for the unqualified audit opinion.

## **Final Annual Report**

The Audit Performance and Audit Committee has also somewhat satisfied itself as to the integrity of the remainder of the annual report.

## **Auditor-General of South Africa**

The Audit Performance and Audit Committee has met with the AGSA to ensure that there are no unresolved issues.

## **Conclusion**

The Audit Performance and Audit Committee wishes to acknowledge the commitment and support of Council, Honourable Executive Mayor, Board Municipal Manager, AGSA staff, management and staff of the municipality. The political and administrative leadership stability in the municipality played ultimate and big role towards and improved and positive financial and non-financial performance.

A handwritten signature in black ink, consisting of the letters 'SAB' followed by a period, enclosed within an oval shape.

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**SAB Ngobeni**

**Chairperson of the Audit Performance and Audit Committee**

**Date 30 November 2024**