



LOCAL MUNICIPALITY

**ANNUAL REPORT  
FOR THE FINANCIAL YEAR 2024/2025**

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## ACRONYMS

ACRONYM	DETAIL
AG	Auditor General
BTO	Budget and Treasury Office
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
COGTA	Department of Co-operative Governance and Traditional Affairs
CPI	Consumer Price Index
DCD	Directorate Community Development
DCSS	Directorate Corporate Support Services
DPHS	Directorate Planning and Human Settlement
DPLG	Department of Provincial and Local Government
DPS	Directorate Public Safety
DTI	Department of Trade and Industry
DTIS	Directorate Technical and Infrastructure Services
EEP	Employment Equity Plan
EIA	Environmental Impact Assessment
GDP	Gross Domestic Product
GIS	Geographic information system
HH	Households
HIV/AIDS	Human Immunodeficiency Virus Infection/Acquired Immunodeficiency Syndrome
HR	Human Resources
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IRPTN	Integrated Rapid Public Transport Network
IT	Information Technology
KPA	Key Performance Area
KPI	Key performance Indicator
LAN	Local Area Network
LED	Local Economic Development
MFMA	Local Government: Municipal Finance Management Act 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Local Government: Municipal Property Rates Act 6 of 2004
MSA	Local Government: Municipal Systems Act 32 of 2000
MTREF	Medium- term Revenue and Expenditure Framework
NDP	National Development Plan
NGO	Non-Government Organisation
PMS	Performance Management System
PMU	Project Management Unit
POE	Portfolio of Evidence
PR	Proportional Representation
RWST	Rustenburg Water Services Trust
R&T	Roads and Transport
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency

## CHAPTER ONE: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### 1.1 EXECUTIVE MAYOR'S FOREWORD



The Executive Mayor must within seven months after the end of financial year, table municipality's Annual Report in Council as obligated by legislation. We are driven by the City's strategic thrusts and priorities, guided by its goals, that of realising Rustenburg becoming a *world class city where all communities enjoy high quality of life and diversity*.

The Mandate given by the residents of Rustenburg to us as a city council is to improve the quality of their lives. These ideals are captured in the Integrated Development Plan (IDP) that we adopted at the beginning of the financial year. This 2024/25 Annual report of the Rustenburg Local Municipality, which in many ways reflect our service delivery and developmental achievements as well as our many challenges, is presented in recognition of our legislative obligation to be an accountable and transparent organisation. This annual report which also outlines the implementation and achievement of the municipality's objectives conform to the various pieces of legislation such as the section 46 of the Local Government: Municipal Systems Act No.32 of 2000 and sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003.

The strategic goals and priorities of the Municipality are cascaded into the strategic and operational plans of all directorates. By so doing, it is ensured that every effort at any point in time is constantly being made to achieve the required targets and desired outcomes. The Municipality embarked in a process of Mayoral Imbizos (community and stakeholders' consultations) as part of the IDP/Budget process of 2023/2024 as well as 2024/2025 financial years. Our communities confirmed that whilst a lot has been done since the advent of developmental local government and lot still needs to be done to ensure proper financial management and good governance, better roads, deliver clean and reliable water supply, provide proper sanitation, lastly to create opportunities for jobs and grow the city's economy.

Although we got a qualified outcome in the last financial year, we made a commitment that things will change for the better. These changes are as a result of the functionality of the Audit Committee to assist in advising Council on audit matters. We have also developed an Audit Action Plan which its objective is to detect and address any shortfall regarding the finances and operations of our Municipality. This plan will enable us to identify all the risks to deal with them head-on and so that we are in a better position to improve and become a Municipality who is financially viable and to keep up with the deadline of obtaining a Clean Audit by the year 2026. We will continue to work closely with our communities so that they know exactly what is happening within their elected Council. This will also provide us with an opportunity to know their daily challenges and be able to make the necessary planning to overcome those challenges timeously.

I would like to express my heartfelt gratitude to the Mayoral Committee Members and fellow Councillors for their sterling support and leadership. I would like to thank the entire administrative

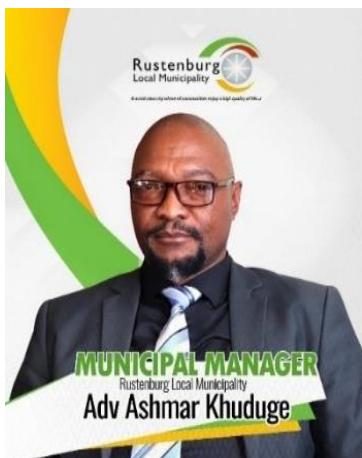
management and staff for their tireless efforts in executing the Rustenburg Local Municipality mandate as given to us by our communities.

I also wish to take this opportunity to thank our communities for their continued trust in their Municipal Council and to our stakeholders for their support in the programs and initiatives that we bring to them. We commit to making necessary planning to overcome our challenges and to realize the Vision as a city.

A handwritten signature in black ink, appearing to read "SSK MABALE HUMA".

**CLLR. SSK MABALE – HUMA**  
**EXECUTIVE MAYOR**

## 1.2 MUNICIPAL MANAGER's FOREWORD



This Annual Report is presented in fulfilment of the statutory accountability obligations of Rustenburg Local Municipality in terms of the Local Government: Municipal Systems Act, No. 32 of 2000, and the Local Government: Municipal Finance Management Act, No. 56 of 2003. It provides an integrated account of the Municipality's performance, governance, and financial management for the year under review, enabling Council and stakeholders to assess progress against approved strategic priorities. The Municipality entered the 2024/25 financial year confronted by significant service delivery challenges, most notably the nationwide water supply constraints, which placed sustained pressure on municipal infrastructure and operations. These challenges were further compounded by persistent financial constraints that limited the implementation of certain capital-intensive interventions identified to address service delivery backlogs.

Against this backdrop, and in response to unfavorable audit outcomes, the administration adopted a deliberate and focused approach to stabilise the institution and improve governance, financial management, and service delivery performance. Central to this resolve was the implementation of the following strategic interventions:

- Implementation of a robust financial recovery plan
- Finalisation of the macro-organisational structure
- Filling of senior and top management positions to enhance leadership stability and accountability
- Implementation of organisational culture improvement initiatives
- Strengthening of the administrative-political interface
- Building strategic partnerships with private, public, and international organisations to leverage resources and expertise
- Strengthening the administration of the City's affairs, including governance, risk management, compliance, and the overall control environment

These interventions have laid a strong foundation towards achieving a clean administration, improving organisational efficiency, and enhancing institutional effectiveness. Notable progress has been made through improved management stability following the filling of top management vacancies, momentum gained in culture change initiatives, the focused implementation of revenue enhancement measures, and the enforcement of strong financial controls aimed at improving fiscal discipline. The introduction of the *City at Work* programme emerged as a significant highlight during the period under review. This initiative has enhanced collaboration between the Municipality, communities, and the private sector in addressing basic service delivery challenges, including grass cutting, the clearing of illegal dumping sites, and pothole repairs, thereby strengthening participatory governance and shared responsibility.

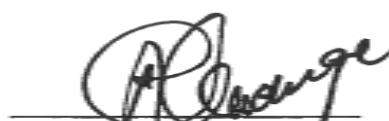
While addressing institutional, financial, and governance challenges, the Municipality continued to pursue provision of uninterrupted services in fulfilment of its constitutional mandate. Despite the pressures experienced, encouraging progress was recorded across several areas of responsibility. Key achievements during the financial year under review include:

- A slight but notable improvement in revenue collection, which is expected to contribute meaningfully to the long-term funding of municipal operations
- Reduction of audit qualification paragraphs from eight (8) in the previous audit to five (5) in the latest audit (2024/2025)

- Continued provision of services in historically serviced areas, despite challenges such as infrastructure vandalism, theft, and illegal connections
- Progress in the formalisation of informal settlements and securing land for human settlements development
- Distribution of title deeds to qualifying housing beneficiaries to promote security of tenure
- Provision of essential support packages to indigent households and implementation of programmes targeting poor and vulnerable residents
- Implementation of a strengthened urban management programme focusing on street lighting, improved response times to service outages, grass cutting, and the clearing of illegal dumping
- Roll-out of crime prevention interventions in support of safer city objectives
- Attraction of a pipeline of investment projects aimed at stimulating economic development and job creation
- Leveraging of procurement opportunities to support SMMEs operating within the City

The milestones achieved during the year under review demonstrate that the Municipality is making meaningful inroads towards addressing service delivery backlogs and strengthening institutional performance. In the forthcoming financial year, the administration will focus on ensuring a predictable and reliable supply of quality basic services, expanding access to services, promoting inclusive and participatory governance, improving revenue collection and financial prudence, deepening organisational culture change initiatives, and enhancing the welfare and wellbeing of the municipal workforce.

In closing, I wish to extend my sincere appreciation to the Executive Mayor and Members of the Mayoral Committee for their strategic leadership and political guidance, the Speaker of Council and the Single Whip for ensuring the effective functioning of Council, and the Municipal Public Accounts Committee for its continued oversight. I further acknowledge the contribution of senior management, organised labour, essential services personnel, and all municipal employees whose dedication and resilience remain central to the Municipality's ability to fulfil its constitutional and legislative mandate in service of the residents of Rustenburg.



ADV ARIKHUDUGE  
MUNICIPAL MANAGER

## **Legislative Requirements – Preparation Of The Annual Report**

Concerted efforts were made during the compilation of the annual report to comply with Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) which stipulates that: “Every municipality and a municipal entity must for each financial year prepare an annual report in accordance with its guidelines”. It further states that “The Executive Mayor must within seven months after the end of the financial year table the municipality’s Annual Report in council.” Section 46(1) of the Local Government: Municipal Systems Act, 32 of 2000 (MSA) prescribes that a municipality must prepare for each financial year a performance report reflecting:-

1. The performance of the municipality and of each external service provider during the financial year;
2. A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
3. Measures taken to improve performance.

An Annual Performance Report must form part of the municipality’s Annual Report in terms of chapter 12 of the MFMA. The Rustenburg Local Municipality had a functional and knowledgeable Performance Audit Committee (PAC). The work of the PAC was enhanced by a functional Internal Audit Unit. A Risk Committee was established and was fully functional, with the assistance of a functional Risk Management Unit. All systems regarding implementation of risk management were in place i.e.

- Risk Management Policy (reviewed annually);
- Risk Management Strategy (reviewed annually); and
- Risk and Fraud Assessments conducted regularly.

Much time was allocated to focus on internal controls to address cases of irregular, unauthorised, fruitless and wasteful expenditure. Existing contracts were reviewed as well as contracts entered into for the period under review for compliance with the MFMA and in some cases, contracts were suspended with an intention to terminate. This resulted in a litany of litigations.

## **1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW**

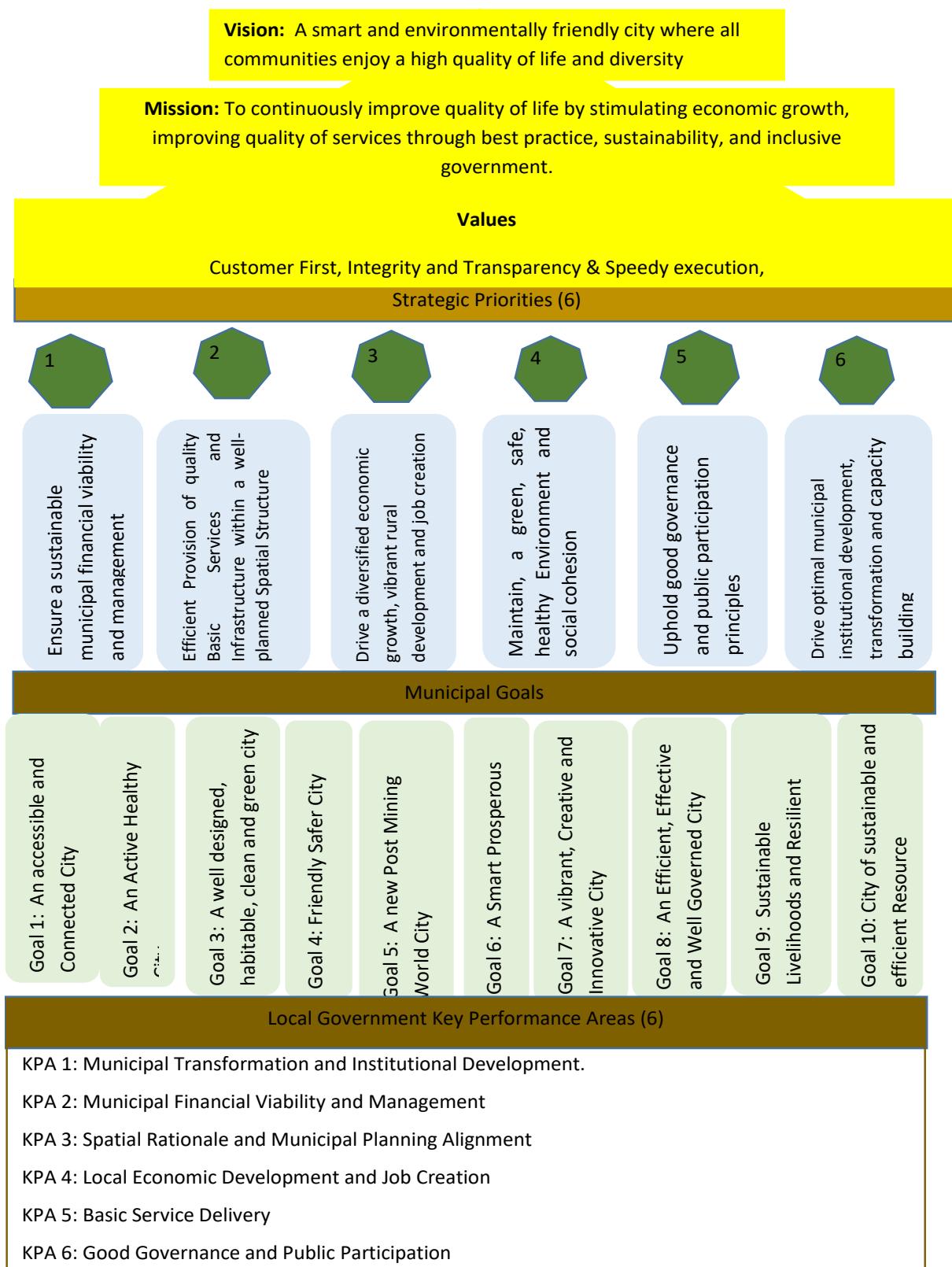
The Rustenburg Local Municipality is a category B municipal council consisting of 45 wards. It is located in the eastern parts of the North-West Province and is accessible to a number of major South African urban centres. These centres include Johannesburg and Tshwane, which are located approximately 120km from Rustenburg. Smaller centres surrounding Rustenburg are Madibeng, Mogale City and Zeerust in the Ramotshere Moilwa Local Municipality. Rustenburg is linked to the above urban centres through an extensive regional road network. The most notable of these is the N4 freeway or Platinum Corridor, which links Rustenburg to Tshwane in the east and Zeerust to the west. The R24 links Rustenburg to Johannesburg in the south and the Pilanesberg to the north.

Rustenburg Local Municipality (RLM) is one of five municipalities within the Bojanala District Municipality in the North-West Province and is divided into 45 wards. The total population is 719 000 people, comprising of 60% males and 40% females. The significant growth in Rustenburg is largely attributed to the impact of the world’s largest mines in the immediate vicinity of the town which include amongst others, Impala Platinum, Anglo American, Sibanye Stillwater/Gold, Bakubung Platinum, Lonmin, Royal Bafokeng Platinum, Tharisa Minerals, Glencore and Ilitha Mining. Approximately 97% of the total platinum production occurs in Rustenburg, with the mining sector providing around 50% of all formal employment.

## MUNICIPAL STRATEGIC AGENDA

In line with the above national and provincial Vision directives, the Rustenburg Local Municipality Strategic Agenda which includes a Vision, Mission, Municipal Values, Strategic Priorities/ Thrusts and Municipal Goals are reflected in **Diagram 1** below and are graphically summarised on the next few pages:

The Vision, Mission and Strategic Priorities, including Municipal Values are:



The above RLM Strategic Agenda should be implemented in pursuance of the following six Key Performance Areas for Local Government as contained in the Municipal Planning and Performance Management Regulations (2006) as promulgated by National Government:

**KPA1: Municipal Transformation and Institutional Development**

To have a representative and motivated municipal work force with high ethical standards empowered to render optimal services.

**KPA2: Good Governance and Public Participation**

To ensure service delivery in accordance with "Batho-Pele" principles and legislative requirements and through extensive consultative processes with local stakeholders/ communities.

**KPA3: Municipal Financial Viability and Management**

To manage the Municipality's finances to ensure a financially viable Municipality able to meet all financial obligations.

**KPA4: Local Economic Development and Job Creation**

To facilitate and implement local economic development initiatives and processes to promote sustainable economic growth for the municipal area.

**KPA5: Basic Service Delivery**

To render cost effective and sustainable services to the entire community with diligence and empathy.

**KPA6: Spatial Rationale and Municipal Planning Alignment**

To ensure that all development within the municipality is based on a coherent Spatial Rationale as defined in the Municipal Spatial Development Framework and that all sector plans are aligned to this rationale.

### **Service Delivery Overview**

The municipality is providing basic services to all residents within its area of jurisdiction as expected despite the challenge of having to cater for the unplanned population explosion. According to Census 2021 (StatsSA), the residents of Rustenburg have reported to having access to the following basic services:

**Table 1: Basic Services provided to households in the Rustenburg Local Municipality**

No	Type of Service Provided	Percentage %
1	Solid Waste	100% of formal settlements 80% of informal settlements
2	Access to electricity	92%
3	Access to sanitation (VIP/ Sewer System)	86%
4	Access to water (Water tanking, Communal Standpipe, House connections)	99%

### **Financial Health Overview**

The municipality has been under financial constraints because of the global economic outlook which has been weaker than anticipated. Domestic inflation is higher, largely because of increasing oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, pose some risk to the inflation outlook. The Mining sector contributes more than 50% of the local economy. The mining sector is the largest employer within Rustenburg. Most mines around Rustenburg resorted to retrenching employees because of the current economic situation and this resulted in our debtor's book growing. Furthermore, the electricity and water supply shortages pose the largest domestic risk to growth.

Persistently high unemployment remains one of South Africa's most pressing challenges and most of the people come to Rustenburg to seek employment in mines. These economic challenges will continue to pressurize municipal revenue generation and Collection.

### **Organisational Development Overview And Performance**

The organisational performance can be measured against the performance of the Section 56 Managers, which includes the performance of the Municipal Manager and that of the Directors respectively.

### **Auditor General Report: 2024/2025**

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General is to express an opinion on the municipality's financial statements while conducting an audit in accordance with International Standards on Auditing.

### **Statutory Annual Report Process**

According to the Municipal Finance Management Act, 2003, the Executive Mayor must within seven months after the end of the financial year table the municipality's Annual Report in Council. Thereafter the accounting officer must make the annual report public; and invite local communities to submit representations to the Municipal Public Accounts Committee (MPAC). The Municipal Council must consider the oversight report from the MPAC on the annual report during an open meeting. The oversight report should include all submissions made by the local communities and other stakeholders like sector departments.

Section 121 (1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that: "Every municipality and municipal entity must for each financial year prepare an annual report in accordance with Chapter 12 of the same Act.

This Annual Report was compiled according to the requirements of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended and MFMA Circular No 63 dated September 2012. The main objective or purpose of this report is:

- a) Provide a record of the activities of the Rustenburg Local Municipality and Rustenburg Water Services Trust during the financial year 2024/2025
- b) Provide a report on performance against the budget of the Rustenburg Local Municipality and its entity for the financial year 2024/2025; and
- c) Promote accountability to the local community for the decisions made during the financial year ended June 2025 by the municipality and the Rustenburg Water Services Trust.

According to the MFMA, this Report should include:

- a) The annual financial statements of the Municipality, and consolidated annual financial statements, submitted to the Auditor-General for audit in terms of section 126 (1) of the MFMA
- b) The Auditor-General's audit report in terms of section 126 (3) of the MFMA and in accordance with s45 (b) of the MSA; on the financial statements in (a) above.
- c) The annual performance report of the Municipality as prepared by the Rustenburg Local Municipality in terms of section 45 (b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA).
- d) An assessment of the arrears on municipal taxes and service charges.

- e) An assessment of the Municipality's performance against the measurable performance objectives referred to in Section 17 (3) (b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year 2023/2024.
- (f) Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); and
- (g) Recommendations of the Municipality's Performance Audit Committee.

## CHAPTER TWO: GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### Introduction To Governance

This chapter presents governance mechanisms, structures and systems that were put in place to ensure that the municipality complies with legal requirements. These include community participation, oversight, monitoring and evaluation and how the municipality communicates with and accounts to the community. To ensure that accountability and governance arrangements are in place, Section 18(1)(d) of the Municipal Systems Act, 2000 (Act no 32 of 2000), read with Section 121(2)(c) of the Municipal Finance Management Act, 2003 (Act no 56 of 2003) prescribes that information on matters of governance should be communicated to communities. This should, according to Sections 65(1)(a) of the MFMA and 46 of the MSA, be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

#### Introduction To Political And Administrative Governance

The Rustenburg Local Municipality is implementing an Executive Mayoral and Ward Participatory System of local governance, which ensures that the municipality involves the community and that all citizens within the area of jurisdiction of the municipality are represented in decision making processes. This practice has increased residents' sense of belonging and pride, accountability and empowerment and actively involves them in all issues dealt with by the municipality.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, processes, and laws by which the Council operates and is regulated and controlled.

#### 2.1 POLITICAL GOVERNANCE STRUCTURE

The Municipal Council is constituted by 90 Councilors, with 45 wards and 45 proportional representative Councilors. The Mayoral Committee consists of ten (10) members. Ward Councilors chair ward committees whose responsibility is to discuss issues of local concern.

**Table 2.1 The party-political representation of Councilors**

Political Party	Number Councilors	Gender Distribution	
		Male	Female
African Christian Democratic Party	1	1	-
African Independent Congress	1	1	-
African National Congress	43	31	12
Arona	1	1	-
Botho Community Movement	1	1	-
Democratic Alliance	13	8	5
Economic Freedom Fighters	17	8	9
Forum 4 Service Delivery	1	1	-
Independent	1	1	-
Tsogang	7	4	3
Freedom Front+	3	2	1
United Democratic Movement	1	-	1
<b>TOTAL</b>	<b>90</b>	<b>59</b>	<b>31</b>

The Council elected the Speaker, Cllr L J Pule in terms of section 36 of the Municipal Structures Act, 1998 (Act No. 117 of 1998), to chair Council meetings per item 125 (5) of 27 June 2023, after resignation of the Speaker, Cllr K Mogomotsi. She is also responsible for capacitating Councilors and Ward Committees to better carry out their mandate as per Local Government: Municipal Structure Act, Act 117 of 1998. 25 (5).

The Municipality operates within an Executive Mayoral System under the leadership of Her Worship, the Honourable Executive Mayor Cllr S.S.K. Mabale-Huma who was appointed as per section 55 of Municipal Structures Act, 1998 (Act No. 117 of 1998), per item 269 of 22 November 2021

Clr. R R Makhanda was elected as the Single Whip of the Council as per item 173 on the 25th September 2024.

#### **SPEAKER & SINGLE WHIP**



The Rustenburg Local Municipality established a Mayoral Committee and Portfolio Committees in terms of Section 80 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) to assist the Executive Mayor in executing her functions. According to the provision of the quoted piece of legislation, Executive Mayor is the chairperson of the Mayoral Committee while members of her Mayoral Committee are chairpersons of Portfolio Committees.

#### **Political Leadership – Executive**

The Executive Mayor appointed a Mayoral Committee from among elected Councilors in terms of Section 79 of the Municipal Structure's Act as amended. The Municipality's Mayoral Committee performs those elements of the Executive Mayor's powers and functions as may be designated by the Municipal Council, exercising and performing them in support of the Executive Mayor. The Municipality's Mayoral Committee ensures that service delivery takes place, including but not limited to improving efficiency, credit controls and revenue, and administration of the municipality.

**Table 2.2 Mayoral Committee Members**

<b>NO.</b>	<b>Portfolio</b>	<b>Member of the Mayoral Committee</b>
1	Public Safety	MMC Cllr Mareko B
2	Budget and Treasury	MMC Cllr Phalole M N
3	IDP, PMS and Legal	MMC Cllr Macone I
4	Local Economic Development	MMC Cllr Rampou DT
5	Technical and Infrastructure Services	MMC Cllr Phutu KK
6	Community Development	MMC Cllr Seleka A
7	Roads and Transport	MMC Cllr Pule EST
8	Corporate Support Services	MMC Cllr Gaonakala MI
9	Planning and Human Settlements	MMC Cllr Lebethe POL
10	Special Projects	MMC Cllr Mputle K

## MEMBERS OF THE MAYORAL COMMITTEE & THEIR PORTFOLIOS



**Cllr Mputle V.**  
**MMC Public Safety**  
(till 15/04/2025)  
**MMC Special Projects**  
(from 16/04/2025)



**Cllr. Kombe OJ**  
**MMC Budget & Treasury**  
Office  
(from 06/03/2024 –  
15/04/2025)



**Cllr M Phalole**  
**MMC Budget & Treasury**  
Office (from 16/04/2025)



**Cllr S.T. Pule**  
**MMC IDP, PMS and Legal**  
(till 15 /04/2025)  
**MMC Roads and Transport**  
(from 16/04/2025)



**Cllr. Phutu K.**  
**MMC Local Economic**  
Development  
(till 15/04/2025)  
**MMC Technical and**  
Infrastructure Services



**Cllr. Rampou T.**  
**MMC Technical and**  
Infrastructure Services  
(till 15/04/2025)  
**MMC Local Economic**  
Development



**Cllr. Xatas:**  
**MMC Community**  
Development  
(till 15/04/2025)



**Cllr I Macone**  
**MMC IDP, PMS & Legal**  
Services  
(from 16/04/2025)



**Cllr Khoeli L**  
**MMC Special Projects**  
(Till 15 April 2025)



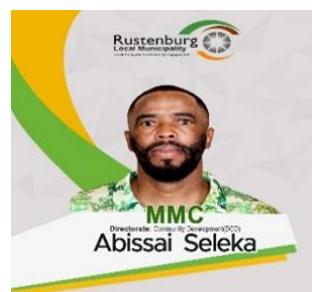
**Cllr Gaonakala MI**  
**MMC Corporate Support**  
Services



**Cllr Mareko BB**  
**MMC Planning and Human**  
Settlement (till 15/04/2025)  
**MMC Public Safety**



**Cllr Lebethe P**  
**MMC Planning & Human**  
Settlement  
(from 16 April 2025)



**Cllr A Seleka**

**MMC Community Development (from 16 April 2025)**

## FUNCTIONS OF THE GOVERNANCE STRUCTURES

### Political Leadership – Legislation

In terms of Chapter 7, Section 151 (2) of the Constitution of the Republic of South Africa, of 1996, the executive and legislative authority is vested in its municipal council.

The municipal council of the Rustenburg Local Municipality is established as a municipality with a mayoral executive system which is combined with a ward participatory system in terms of Chapter 12 of the Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government, and the powers and functions of municipalities are determined in section 156 of the Constitution.

The political leadership of the Municipality is organized based on legislative and executive functions, i.e., the legislative function of Council is implemented by Council and its committees, led by the Council Speaker, supported by the Single Whip of Council. The Speaker of Council is the Chairperson of Council presiding over Council meetings in accordance with Council's Standing Rules. The Speaker has a responsibility for Section 79 oversight committees and for Council Affairs to develop political governance within the Municipality among Councilors.

The Single Whip is an official office bearer, who is a member of the majority party and Single Whip of the Majority Party. The single Whip ensures proportional distribution of Councilors to various Committees of Council. The Single whip maintains sound relations among the various political parties by attending disputes among political parties. The mandate of the Legislative Arm of Council focused on; accountability, oversight, and scrutiny; strengthening the capability and Legislative Arm of Council; public participation to safeguard local democratic processes; and sound financial management.

### Political Leadership – Executive

The Executive Mayor appointed a Mayoral Committee from among elected Councillors in terms of Section 79 of the Municipal Structure's Act as amended. The Municipality's Mayoral Committee performs those elements of the Executive Mayor's powers and functions as may be designated by the Municipal Council, exercising and performing them in support of the Executive Mayor. The Municipality's Mayoral Committee ensures that service delivery takes place, including but not limited to improving efficiency, credit controls and revenue, and administration of the municipality.

**Table 2.1: Rustenburg Local Municipality Ward Representation**

WARD NUMBER	CLR	AREAS
1	Cllr D M Sethonga	Phatsima, Boshoek, Boekenhoutfontein, Rasimone, Mafenya, Rafredi
2	Cllr E. Langeni	Chaneng and Robega
3	Cllr V. Mputle	Bafokeng North Mine, Impala, Luka Mogono, Rathibedi, Tau, Ralesobesobe, Ratshwene, Impala Number 6 Hostel

WARD NUMBER	CLR	AREAS
4	Cllr E K Vena	Luka, Phokeng: - Windsor – old Police Station – Punodung Section
5	Cllr B I Moreki	Phokeng – Lemenong to Kgale, Lenatong, Punodung – Segema
6	Cllr S S Tause	Phokeng: Tshwara – Kotokoto, Saron, Dithabaneng, Masosobane, Masosobane 2, Salema, Mosetlha & Radiala, Ntsweng & Pitso, Greenside & Riverside, Makgokgwane, Ratshufi.
7	Cllr E S T Pule	Bubuanja, Lefaragatlhe, Matlhasi Marwane Section, Letlhaneng Section, Raphafana Section, Bethel, Mahosana Section, Ngeneng Section <b>Tlhabane</b> – Lekwakwa P.S, Mashao Street,
8	Cllr T O Moduke	Tlhabane West 15 <sup>th</sup> – 24 <sup>th</sup> Avenue, Geelhout view 24 <sup>th</sup> to 37 <sup>th</sup> Avenue, Mountain Ridge partly, Geelhoutpark 6; 9; Mmilo Drive, Geelhoutpark Phase 1 and 2.
9	Cllr M Malinga	Tlhabane: Mokgethi Street, Bester, Monareng, Lebone, Glycerine – Spar, G.G - 11,14, 16, 17 & 18 Rauwane, Phomolong
10	Cllr F S Moatshe	Tlhabane: From Monareng street, Foxlake, Lebone, RTB North- Plight, Sundown, Oukasi
11	Cllr Ntshabele K P	Tlhabane: Mokgethi, Mogotsi, Zinniaville – Gousblou, Industrial side
12	Cllr S M Motshegwe	Meriting ext 1, phase 1, 2 & 3 and Boitekon X13&14; Boitekong Ext 23; Lusikisiki.
13	Cllr S L Sentsho	Tlhabane: Oukasie - Sidzumo, Motsatsi, Lebone up to Dikgabong, Foxlake, RTB. North – Benoni; Hommer; Byron; Napolion; Scott; Burns; Rietz; Snel; Oxford; Johnson; Foord; Schuidings; Berry; Noord Park & part of Taxi rank
14	Cllr G J Du Plessis	Geelhoutpark ext 4, Proteapark above field college, BoDorp; Rustenburg North: Even numbers of Homer str. From Dr. Moroka to crn. Rietz to Benoni, Dr. Moroka from house no. 108 up to corner Homer, Protea park, Boo Dorp, Cashan 1,2, Safari garden 2,3,5,8, Rustenburg North – Benoni to Impala
15	Cllr Edwards I	Protea Park, Safari Tuin
16	Cllr J C Cronje	Mooka Farm, Geelhout park Ext 5, Protea Park, Rietvlei
17	Cllr T Rothman	Cashan 3, 4,& 28; Azalliapark, Portion of Safarituin 4, 5, 7, 13 &15, Schoongesicht.
18	Cllr J J Nortje	Rustenburg East, Rustenburg North, and CBD

WARD NUMBER	CLR	AREAS
19	Cllr J B Mpele	Paardekraal ext 1, Sunrise Park ext. 9, sunrise view phase 1 & 2
20	Cllr A Seleka	Boitekong Ext 4 & 2
21	Cllr D T Rampou	Boitekong Ext
22	Cllr A Makhuto	Kanana Hostel, Sunrise 10,11, Leshibidung, Mpho Khunou, Popo Molefe, Skeirlik, Mzanzi, Siza; Plot 45, powerline and Majozzi view.
23	Cllr L Mokapi	Kanana, Mafika, Chachalaza
24	Cllr G S Motlhamme	Freedom Park
25	Cllr P H Serongoane	Monnakato, Kopman, Rooikraal, Chaneng (Part),
26	Cllr O C Mmapitsa	Tantanana, Mamerotse, Tlaseng, Tsitsing, Mogajane , impala Hostel
27	Cllr K B Morei	Lethabong
28	Cllr W Fulane	Lethabong
29	Cllr K K Phutu	Mabitse, Maumong, Makolokwe, Barseba, Rankelenyane and lekgalalong view.
30	Cllr T Z Mooketse	Modikwe, Bethanie
31	Cllr V Shomang	Marikana, Marikana CBD, Skierluk, Storm Huis, Brampie, Big House, Group Five, Burnley, RDP, Mahumapelo 1 &2, Mabonvana and Marasmas.
32	Cllr J Salang	Wagkraal, Suurplaat, Mmaditlhokwa, Marikana West, Retief, Mabomvaneng, Lapologang, New stands, part of Marasmas, Phase 1 RDP and rental flats.
33	Cllr L Khoeli	Nkaneng, Bleskop Hostel, Ngawana Hotel
34	Cllr K B Phiri	Mfidikoe, Zakhele, Hostel, Bokamoso
35	Cllr S P Mkhholwa	Matebeleng, Ikemeleng, Phuane, Lenvus Bayer, Lekotjaneng, Bolane, Waterval, Dinie Estate,
36	Cllr C K Serunye	Cyverbuilt, Breedvlei, Vlakdrift, Sandfontein, Manharand, Donkerhoek, Mathopestad, Boons, Molote, Moderfontein, Spakling Water, Olifantsnek, Boshfontein, Naauwpoort
37	Cllr M C Dumani	Jabula, Sondela and Million Dollar
38	Cllr M E E Mosete	Freedom Park, New Freedom Park, Merititing exts 4 & 5

WARD NUMBER	CLR	AREAS
39	Cllr A M Mosito	Ramotshana, Tsumani section phase 2, D4 section E2 & E5
40	Cllr J Qobeka	Boitekong Ext 8, Boitekong Ext 2 – Paardekraal, Flats Ext23, plot 14 portion 50, Yizoyizo (Boitekong) Boitekong ext 1, Abudabi and part of million dollar and New stands.
41	Cllr Z Xhinela	Seraleng RDP
42	Cllr A S Grove	Waterfall East, CDB, Ext 5
43	Cllr L B Snyders	Seraleng, Jabula, Zinniaville, KarlienPark, part of Rustenburg North – Burns str., Johnson from crn Burns to Middle, part of Snel from crn Napolion towards railway line, Middle, Haarhoff & Witt streets.
44	Cllr I S Macone	Lekgalong, Ikageng, Mosenthal, Serutube, Lesung, Marakana
45	Cllr T G Molefe	Photsaneng, Thekwana, Karee Mine

### Council Performance

**Table 3.38 Council Meetings**

DETAIL	2024/2025	
	Ordinary Meetings	Special Meetings
Council	5	9

### Council Committees

Municipal Council established the following committees in terms of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) for the effective and efficient performance of the Municipal Council's powers and functions:

**Table 3.39 Council Committees**

Section 79 and other Committees	Section 80 Committees
Municipal Planning Tribunal	Budget and Treasury Office;
Municipal Public Accounts Committee	Community Development;
Rules of Order Committee;	Corporate Support Services;
IDP/Budget Steering Committee	Planning and Human Settlements
Local Labour Forum	IDP/PMS, Legal and Valuations;
Performance Audit Committee	Intergovernmental Relations and Traditional Affairs;
Risk Management Committee	Local Economic Development;
	Roads and Transport;
	Public Safety;

<b>Section 79 and other Committees</b>	<b>Section 80 Committees</b>
	Technical and Infrastructure Services

### **Council Oversight**

Political oversight functions of Council are exercised primarily through Section 79 Committees. Clear guidelines on how these committees address oversight responsibilities are outlined in the delegated powers. Councilors also physically visit sites where projects are implemented – especially service delivery projects – to fulfil their oversight roles. Other oversight tools include the use of questions by individual Councilors to hold the Executive to account, as well as motions to ensure debate, on Council issues.

To promote oversight and accountability, committees determine priority areas for oversight in respect of each portfolio, which are guided by the priorities of the Municipality as contained in its IDP. In addition, committee visits to projects and service delivery sites assist and complement the Committees' oversight function.

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## **2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE**

The Municipal Council appointed the management team to ensure that the municipality provides services to the communities as captured in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP). The Municipal Manager is the link between the Municipal Council and the administration and therefore accounts to the Council through the Executive Mayor. The day-to-day management of the affairs of the municipality is carried out by the Municipal Manager and he is assisted by a team of senior managers. The following are Senior Managers:

**Table 2.5 Senior Managers**

2024/25 FINANCIAL YEAR				
DISGNATION	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
	INCUMBENT	INCUMBENT	INCUMBENT	INCUMBENT
Municipal Manager	Khuduge A. R	Khuduge A. R	Khuduge A. R	Khuduge A. R
Chief Financial Officer	Mdhluli V (Acting)	Ditsele G	Ditsele G	Ditsele G
Director Planning & Human Settlement	Matshego D (Acting)	Maake D	Maake D	Maake D
Public Safety	Ramothwala M (Acting)	Nchefu P	Nchefu P	Nchefu P
Director Technical and Infrastructure Service	Ndzukula W (Acting)	Ncube T	Ncube T	Ncube T
Community Development	Jele L (Acting)	Jele L	Jele L	Jele L

2024/25 FINANCIAL YEAR				
DISGNATION	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
	INCUMBENT	INCUMBENT	INCUMBENT	INCUMBENT
Roads and Transport	Mahlangu G	Mahlangu G	Mahlangu G	Mahlangu G
Corporate Support Services	Mahapela P (Acting)	Maape M	Maape M	Maape M
Local Economic Development	Mantswe P (Acting)	Sehloho T	Sehloho T	Sehloho T
Manager Office of the Executive Mayor	Bele S	Bele S	Bele S	Bele S
Chief Audit Executive	Mabe CS	Mabe CS	Mabe CS	Mabe CS
Manager Office of the Municipal Manager	Mokgara L	Mokgara L	Mokgara L	Mokgara L
Manager Office of the Speaker	Tebeli M	Tebeli M	Tebeli M	Tebeli M
Manager Strategy & Planning	Dire MM	Dire MM	Moopelwa MG (Acting)	Moopelwa MG (Acting)
Manager office of the Single Whip	Molokoe G	Mpete B	Mpete B	Mpete B
Chief Risk Officer	Khiba B	Khiba B	Khiba B	Khiba B

The Municipal Manager has established the following administrative committees to assist him to perform his duties in accordance with the principles of good governance and legislative stipulations and statutory frameworks:

- The Management Committee (MANCO) consists of the Municipal Manager and Section 56 Managers;
- Supply Chain Management Committees: Bid Specification, Bid Evaluation and Bid Adjudication Committees;
- Audit Steering Committee;
- Revenue Protection Team;
- Municipal Planning Tribunal;
- Local Labour Forum (LLF);
- IDP/ Budget Steering Committee;
- Risk Management Committee;
- Contract Management Committee;
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&We) Task Team.

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **2.3 INTERGOVERNMENTAL RELATIONS**

Proactive cooperation between all spheres of government is critical for efficient and effective service delivery if the municipality is to succeed in its developmental role. Each sphere of government has a role in development planning, prioritization and resource allocation and management. The Intergovernmental Relations Framework Act (IGRFA) was passed in 2005. The Act provides a framework for the cooperation among the three spheres of government as distinctive, interdependent and interrelated, and it defines the responsibilities and institutional structures to support closer cooperation.

#### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

Rustenburg Local Municipality is an active participant in the Bojanala Platinum District Municipality's Intergovernmental Relations (IGR) Forum through the following structures:

Political IGR: where mayors and other politicians discuss local and district service delivery issues of common interest and challenges are resolved.

Technical IGR: Accounting officers and other senior managers meet on a quarterly basis to discuss progress on service delivery, barriers to policy implementation and how these could be escalated to the political forum for resolution.

IDP Managers Forum: These managers also meet on a quarterly basis to discuss progress in the implementation of each municipality's IDP and Time Schedules and make recommendations to the Technical IGR for further processing.

The District Development Model : One of the IGR committees that deal with the development of the District Plan (One Plan) and its implementation.

#### **RELATIONSHIP WITH MUNICIPAL ENTITY**

The municipality established Rustenburg Water Services Trust to manage wastewater purification on its behalf. The Local Government: Municipal Finance Management Act, 2003 read with the Local Government: Municipal Systems Act, 2000 prescribes that Municipal Entities must fully account and report to the parent municipality. The law further requires that budgets and annual financial statements should be consolidated, which in essence requires full interaction between the parent municipality (Rustenburg Local Municipality) and the municipal entity (Rustenburg Water Services Trust).

#### **MAYORAL STAKEHOLDER ENGAGEMENT COMMITTEE (MASECO)**

Through the Mayoral Stakeholder Engagement Committee (MASECO) the municipality managed to engage in dialogue with most mining companies and other stakeholders who had interest or were affected by the mining operations in the area through this committee.

**Table 2.6 MASECO and Other Meetings**

<b>NO.</b>	<b>MASECO MEETINGS</b>	<b>MINING HOUSES</b>	<b>DATE OF THE MEETING</b>
1.	Other	RLM meeting with Glencore	16 July 2024
2.	Other	RLM meeting with Impala Platinum Mine	24 July 2024

NO.	MASECO MEETINGS	MINIING HOUSES	DATE OF THE MEETING
3.	MASECO	Samancor Chrome Mine	04 August 2024
4.	Other	RLM meeting with Rhovan Mine	29 October 2024
5	Other	RLM meeting with Red Granite	22 November 2024
6.	Other	Meeting with Greater Rustenburg Pastors Forum	19 February 2025
7.	MASECO	Anglo American Platinum	25 February 2025
8.	MASECO	Rhovan Mine	26 February 2025
9.	MASECO	Sibanye Stillwater	04 March 2025
10.	Breakfast	Executive Mayor with Captains of industries	18 March 2025
11	Other	Meeting with Impala Bafokeng Mine	11 April 2025
12.	Other	Meeting with Bakwena Ba Mogopa Tribal Council	23 April 2025
13.	MASECO	Impala Bafokeng Platinum Mine	16 May 2025
14.	Other	Meeting with Sector Departments	19 May 2025
15.	Other	Red Grinite and Reps from Maumong	23 May 2025
16.	Other	Meeting with Department of Home Affairs and SAPS	17 June 2025
17.	Other	Meeting with Sector Departments, Mines, and Security Cluster	25 June 2025

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.4 PUBLIC MEETINGS

Public participation in local government is crucial. Key components of community involvement in municipal governance promotes democratic administration, improves accountability and transparency. Vibrant public involvement guarantees community demands are satisfied. The municipality has established appropriate mechanisms, processes and procedures to enable community involvement in municipal affairs. They include the following:

#### WARD COMMITTEES

The municipality has established 45 ward committees which convened monthly meetings that served as a platform for interaction, engagement and sharing information between the Ward Councilor and committee members. Ward councilors and their ward committees conduct meetings in their areas to give feedback on the performance of the municipality to the communities on a quarterly basis and assist in addressing developmental needs and challenges.

### 2.5 PARTICIPATION AND ALIGNMENT

#### The IDP process includes the following:

- Public Participation
- IDP Review;
- Medium Term Revenue Expenditure Framework (MTREF)
- Budget Related Policies

For the development of a 5-year IDP, it was important that communities and other major stakeholders were consulted. Below is a schedule of meetings that were conducted to consult with communities at different wards as clustered:

Table

NO	WARD NO/NAME	COUNCILOR	DATE	VENUE	TIME
1	1 - Phatsima	Cllr Sethonga-078 200 0761	09/10	Phatsima Rcc	10H00-12H00
2	2 - Chaneng	Cllr Langeni-064 060 2880	09/10	Robega Community Hall	16H00-18H00
3	3,4 - Luka	Cllr Mputle-083 950 5592 Cllr Vena-0837206131	10/10	Mogono Community Hall	10H00-12H00
4	7 - Lefaragatlha	Cllr Pule-071 105 2430	10/10	Leragatlha Community Hall	16H00-18H00
5	5,6 - Phokeng	Cllr Moreki-068 575 2681 Cllr Tause-074 716 7365	11/10	Bafokeng Secondary School	10H00-12H00
6	8- Tlhabane West	Cllr Moduke-084 572 8853	11/10	Cnr,Dr Moroka & Hedeira St :(Opposite Old Vending Machine)	16H00-18H00
7	24,38 – Freedom Park	Cllr Motlhamme- 083 773 4578 Cllr Mosete- 082 627 9926	12/10	Freedom Park Secondary School	10H00-12H00
8	9,10,11 - Tlhabane	Cllr Malinga-072 685 3152 Cllr Moatshe-073 494 3267 Cllr Ntshabele-066 078 0027	12/10	Tlhabane Community Hall	16H00-18H00
9	25 Monakato	Cllr Serongwane - 079 250 8394	16/10	Monakato Community Hall	10H00-12H00
10	14,15,16,17,18,42 - CBD	Cllr Du Plessis- 082 737 1650 Cllr Edwards – 064 755 1009 Cllr Cronje- 065 857 7933 Cllr Rothman- 060 966 2589 Cllr <b>Nortjie</b> - 066 010 3187 Cllr Grove- 082 544 4733	16/10	Old Town Hall	18H00-20H00
11	26 - Tlaseng	Cllr Mmapitsa- 083 468 3273	17/10	Mamerotse Community Hall	10H00-12H00
12	13 – Tlhabane (Foxlake)	Cllr Sentsho- 063 504 5023	17/10	Noord -Primary School	16H00-18H00
13	29 – Rankelenyane,Makolokwe	Cllr Phutu- 073 540 5893	18/10	Rankelenyane SASSA Paypont	10H00-12H00
14	43 – Karlienpark-Zinniaville	Cllr Snyders- 064 659 0363	18/10	Karlienpark Sports Ground	16H00-18H00
15	30 – Bethanie,Modikoe, Barseba	Cllr Mooketsi- 060 760 1234	19/10	Bethanie Tribal Office	10H00-12H00
16	23 - Kanana	Cllr Mokapi- 061 514 9926	19/10	Makokama Tribal Office	16H00-18H00
17	27 - Lethabong	Cllr Morei- 083 407 6232	23/10	B-Tause Community Hall	10H00-12H00
18	28 - Lethabong	Cllr Fulani- 073512 7404	23/10	Lethabong Rcc	16H00-18H00
19	31,32 Marikana	Cllr Shomang- 076 261 4868 Cllr Salang- 079 979 6126	24/10	Marikana Community Hall	10H00-12H00
20	44 - Ikageng	Cllr Macone-082 066 8510	24/10	Ikageng Rcc	16H00-18H00
21	20,21,40,37 - Boitekong	Cllr Seleke- 078 134 2651 Cllr Rampou-076 260 8598 Cllr Qobeka – 078 206 1034 Cllr Dumani- 073 415 1865	25/10	Boitekong Sports Ground	10H00-12H00
22	41 –Seraleng	Cllr Xhinela- 073 410 0753	25/10	Seraleng Primary School	16H00-18H00
23	12,40- Meriting	Cllr Motshwege- 068 093 9220	26/10	Paardekral Community Hall	10H00-12H00

NO	WARD NO/NAME	COUNCILOR	DATE	VENUE	TIME
24	<b>35 - Kroondal</b>	Cllr Mkhulwa-073 399 0313	26/10	Ikemeleng Sports Ground	16H00-18H00
25	<b>22,39,19 – Sunrise, Ramochana, Ext 1, sunrise view</b>	Cllr Makhuto-066 318 8331 Cllr Masito- 073 106 2533 Cllr Mpele- 083 423 1238	30/10	Open Space Ramochana Next To Taxi Rank	10H00-12H00
26	<b>33,34,45 Mfidikoe, Photsaneng</b>	Cllr Khoeli-078 239 0883 Cllr Phiri- 073 892 2247 Cllr Morapedi- 072 566 3971	31/10	Mfidikwe Sports Ground Next To The Mountain	10H00-12H00
28	<b>36 – Mathopestad, Molote City</b>	Cllr Serunye- 060 434 1419	01/11	Molote City Community Hall & Mathope Primary School	10H00-12H00 16H00-18H00

The IDP Representative forum made up of Ward Committee Members, Ward Councilors and organized groups was utilized as a platform for extension of public participation.

Prioritized and re-ranked community needs were received, properly analysed as required and incorporated into the Integrated Development Plan (IDP). Public notices were issued after adoption of the Drafts IDP, MTREF and budget related policies inviting comments and inputs on the drafts. A notice was advertised in the local newspaper for inspection of the approved IDP 2022/2027 and the Budget during June 2025. The budget adopted by the council was informed by the IDP mainly of community needs and different sector plans.

## **COMPONENT D: CORPORATE GOVERNANCE**

### **CLEAN ACCOUNTABLE GOVERNANCE**

Municipality prioritises values of clean governance and in line with best practice, the Municipality has independent structures that serve the objective of giving an unbiased opinion and advice to Council. These include:

- Performance Audit Committee (PAC)
- Risk Committee
- Municipal Entity (RWST) Board of -Trustees
- Municipal Public Accounts Committee (MPAC)

These Committees are capacitated by individuals who are not employees of the Municipality with wide skills sets, including, fields of strategy, institutional performance, finance, accounting, legal, risk management, etc.

### **2.6 RISK MANAGEMENT**

The Municipal Finance Management Act, 2003, section 62 (1) I (i) states that: "*the accounting Officer of the municipality is responsible for managing the financial administration of the municipality, and for this purpose take all responsible steps to ensure- that the municipality maintains an effective, efficient and transparent systems of financial and risk management and control*" for the achievement of the objectives of the municipality as contained in the IDP.

During the 2024/2025 financial year the municipality implemented the compliance of risk management by ensuring that all systems are in place. The municipality has ensured that:

The Risk Management Implementation Plan has been reviewed and approved by the Risk Committee and PAC.

Risk Management Committee meetings were held quarterly as per the Risk Management Implementation Plan for the 2024/2025 financial year.

The Risk Management Policy, Strategy and Risk Committee Charter was reviewed and approved by the RMC, PAC, MM but unfortunately was not approved by Council.

A Fraud Prevention Plan and Strategy for 2024/2025 financial year has been reviewed and recommended for approval by the RMC, PAC but was not approved by Council. Risk Management Unit through the support of NW Department of Corporative Governance Implements Local Government Anti-Corruption Strategy.

Combined Risk Assurance framework was reviewed by RMC and PAC but unfortunately was not approved by Council for the 2024/2025 financial year.

The following table presents the municipality's risks and aligns them to the strategic objectives. The treatment and controls in the table are a high-level summary of the top fourteen (14) Strategic risks.

## High Level Summary of the Top (14) Strategic Risks for 2024/2025 Financial Year

Risk No	Risk description at Strategic Objective level	Cause (Risk at Business unit level)	Consequence (Effect)	Inherent Risk Rating
1.	No comprehensive plan in place to address Diminishing Revenue Streams (Economic Downturn) / Inefficient Financial Recovery Plan)	<ul style="list-style-type: none"> <li>1. Increasing number of Solar Panels Installations.</li> <li>2. Loadshedding &amp; Water losses</li> <li>3. Billing Inaccuracies (system Issues)</li> <li>4. Inability to bill increasing number of serviced informal settlements</li> <li>5. Lack of drive to implement revenue Strategies.</li> <li>6. Nonpayment of Services by communities (Employees &amp; Councilors Included)</li> <li>7. Tariffs we charge are not breakeven.</li> </ul>	<ul style="list-style-type: none"> <li>1. Loss of revenue.</li> <li>2. Ineffective revenue Strategy.</li> <li>3. Growing debtor's books</li> </ul>	25
2.	Cyber Incidents	<ul style="list-style-type: none"> <li>1. Data breaches.</li> <li>2. IT Failure/Outage.</li> <li>3. Cybercrime</li> <li>4. IT Steering Committee</li> </ul>	1. Loss of Data & Revenue	25
3.	Outdated Local Economic Development Strategy (No Comprehensive LED Strategy in Place)	<ul style="list-style-type: none"> <li>1. No Rustenburg Economic Advisory Council established.</li> <li>2. Failure to attract and appoint suitably qualified and competent Economic Advisory Council members.</li> </ul>	<ul style="list-style-type: none"> <li>1. Ineffective municipal response to the current volatile economic challenges and fast-growing city demands. (Mining dependent local economy)</li> <li>2. Non-creation of new jobs</li> </ul>	25

Risk No	Risk description at Strategic Objective level	Cause (Risk at Business unit level)	Consequence (Effect)	Inherent Risk Rating
4.	Insufficient Bulk Water Supply Capacity for RLM	1. Delays in the completion of Bospoort WTW Plant. (Mechanical and electrical scope) 2. No plans to build new Dams. 3 Increasing demand brought by rapid growth.	Possible future developments within RLM area will be without water supply.	25
5.	Lack of Capacity in the Sewer network System (Operating at Optimal Capacity)	1. Three out of four Water Works Treatment Plants are due for upgrade. 2. Increasing demand due to growth in RLM. 3. Clay and asbestos pipes still in use. (main Blockages) 4. Ageing Infrastructure	Quality of Raw water and industrial supply are affected.	25
6.	(General Loss of Assets) Theft, Fraud, Corruption and Vandalism. <b><i>Illicit Economy (Cable theft, drugs &amp; Zama Zama's)</i></b>	1. Dysfunctional Insurance Committee. 2. No disciplinary action against official who misappropriate assets of the municipality. (Inability to enforce accountability) 3. Insufficient security measures at the Municipality Facilities. 4. Inadequate Law Enforcement measures.	1. Loss of Assets 2. Under insurance of municipal assets and backlog of claims. 3 Dilapidated facilities. 4. Low economic growth	25
7.	Insufficient electricity supply capacity for new developments and within RLM	1. Delay in upgrading of main electrical supply substation (industrial substation) 2. Delays in upgrading of main electrical Supply substation (Voltaire Substation) 3. No Approved plan for alternative sources of energy (Generating our own Energy).	1. Severe power outages to Rustenburg Town supplied from Industries substation. 2. Safety risk for operators who operate the equipment. 3 Possible future developments	25

Risk No	Risk description at Strategic Objective level	Cause (Risk at Business unit level)	Consequence (Effect)	Inherent Risk Rating
			within the Boitekong Area will be without electricity Supply.	
8.	The current organizational structure may not be responsive to the newly adopted IDP (2022-2027).	1. Labour Forum not sitting as intended. 2. Delays in job gradings and job evaluations stages. 3. High vacancy rate.	1. Lack of Alignment between IDP and Organizational Structure. 2. Salary discrepancies. 3 non-placement of employees in staff placement pool. 4. Lack of job Descriptions and irregular appointments.	25
9.	Ageing Infrastructure (Critical Infrastructure Blackout)	1. Insufficient Budget for repairs and maintenance. 2. Slow Implementation of Maintenance Plans 3. Quality Deficiencies on Projects	Dilapidated infrastructure. (Dams, bridges, roads, substations etc.)	25
10	Increasing Occurrence of Natural Disasters (Extreme Weather Events) and diseases outbreaks.	Vis major, Diseases outbreaks, Climate Change, wild fires, Floods, storms, earthquakes, cyclones, heat waves etc.	Inability to fully support/assist Communities should disaster/disease Outbreak Occur.	25
11	Political divisions/Uncertainty & Violence. (Societal Polarization)	1. Elections, Riots, Looting, Violence, Trade Wars, Sanctions, BREXIT, BRICS, Changes in Legislation and Coalitions etc. 2 . Inadequate enforcement on removal of unlawful land occupiers. 3. Political Motivated land invasions 4. Disgruntled citizens	1. Business Disruptions/Interruptions 2. Inadequate land for human settlements being occupied. 3. Uncoordinated Human Settlements	25

Risk No	Risk description at Strategic Objective level	Cause (Risk at Business unit level)	Consequence (Effect)	Inherent Risk Rating
12	Significant Delays in Infrastructural Projects (Capital Projects)	1. Quality Deficiencies on Projects. 2. Inumerable (Mushrooming) local Labour Forums which disrupts projects. (Construction Mafias) 3. Litigations put projects on hold. 4. Delays in SCM Processes.	1. Unmanageable Service Delivery Backlog 2. Service Delivery Interruptions	25
13	Stagnant negative audit outcomes	1. Escalating Irregular Expenditure 2. Inadequate Review of Performance Reports. 3. Poor Contract management and Increasing deviations. 4. PAAP not implemented accordingly. 5. Cash Flow Monitoring not prioritized. 6. Inefficient/No consequence Management.	1. Persistent Non-Compliance 2. Adverse Audit Findings	25
14	Insider Risk (Employees Risk)	1. Theft of sensitive data/files by outgoing and/or remaining employees/Service Providers. 2. Unethical bid Committee Members.	Loss of Assets, sabotage, competitive disadvantage, non-compliance, brand damage. Litigations	25

## 2.7 ANTI-CORRUPTION AND FRAUD

The Municipal Council approved the policy on Fraud and Corruption per Item 37 dated 14<sup>th</sup> November 2007, and the same policy remained relevant for the financial year under review. This policy is based on the Code of Conduct for Councilors and Municipal Staff Members (Schedule 1 and 2 of the Municipal Systems Act, 2000) and the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

The policy covers among others:

- Zero-tolerance on fraud and corruption;
- Using the full might of the law to investigate all incidents of fraud and corruption;
- Reporting all incidents of fraud and corruption to the South African Police Services for criminal investigation; and
- Recovering losses or damages suffered by the municipality from employees or councilors who are found liable by the court of law.

## 2.8 SUPPLY CHAIN MANAGEMENT

Rustenburg Local Municipality established a supply chain management (SCM) Unit under the direct supervision of a unit manager who has been delegated in terms of section 82 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) by the Chief Financial Officer (CFO). The SCM Unit was established in accordance with the requirements of the Municipal Supply Chain Management Regulations, 2005.

The Municipality's SCM Policy, which incorporates the Preferential Procurement Regulations, as well as all other relevant legislation, Regulations and Circulars, was reviewed and adopted per Item no. 49 dated 22 May 2024 by the Municipal Council. It makes provision for a committee system for competitive bids consisting of the following:

1. Bid Specification Committee;
2. Bid Evaluation Committee; and
3. Bid Adjudication Committee.

### **Bid Committee Meetings**

The following table details the number of meetings held for the **2024/2025** financial year:

**Table 5.7 Bid Committee Meetings**

<b>Bid Specification Committee</b>	<b>Bid Evaluation Committee</b>	<b>Bid Adjudication Committee</b>
33	77	40

## 2.9 BY-LAWS

The following By-laws were approved by Council, promulgated and still in force in the area of jurisdiction of the municipality:

**Table 2.10 Rustenburg Local Municipality's By-Laws**

<b>NAME OF THE BY-LAW</b>	<b>PROMULGATED/ GAZETTED AND GAZETTE NUMBER</b>
Community Development By-laws	

<b>NAME OF THE BY-LAW</b>	<b>PROMULGATED/ GAZETTED AND GAZETTE NUMBER</b>
By-laws relating to the prevention of nuisance.	6 September 2005 GAZETTE NR 6205
By-law relating to the disposal of contaminated and /infection waste	6 September 2005 GAZETTE NR 6205
By-law relating to the keeping of animals and poultry	6 September 2005 GAZETTE NR 6205
By-law relating to children's services	6 September 2005 GAZETTE NR 6205
By-law relating to the preparation of food at registered private kitchens	6 September 2005 GAZETTE NR 6205
By-law pertaining to public hazards and nuisance	6 September 2005 GAZETTE NR 6205
By-law relating to accommodation establishment	6 September 2005 GAZETTE NR 6205
By-law relating to public cemeteries	7 June 2016 Gazette NR 7653 Reviewed 31 <sup>st</sup> August 2021
By-law for the hire of community, arts and culture facilities	6 September 2005 GAZETTE NR 6205 Reviewed 31 <sup>st</sup> August 2021
By-law relating to swimming pools and spa bath	7 June 2016 Gazette NR 7653 Reviewed 31 <sup>st</sup> August 2021
By law relating to open space, park, sidewalks and gardens	7 June 2016 Gazette NR 7653
Public amenities by-law	6 September 2005 GAZETTE NR 6205
By law relating to caravan parks and mobile homes	6 September 2005 GAZETTE NR 6205
Air pollution by-law	12 December 2014 GAZETTE NR 7383 The process of reviewing is underway, public participation completed and Item to be submitted to Council in September 2024.
Waste management by-law	7 June 2016 Gazette NR 7653, Under review. Public participation completed and Item to be submitted to Council in September 2024.
<b>LOCAL ECONOMIC DEVELOPMENT</b>	<b>PROMULGATED/ GAZETTED AND GAZETTE NUMBER</b>
Informal Trading by Law	22 February 2022 GAZETTE NR 8325
Outdoor Advertising by-law	11 October 2019 Gazette NR 8016
<b>DIRECTORATE INFRASTRUCTURE AND SERVICES</b>	<b>PROMULGATED/ GAZETTED AND GAZETTE NUMBER</b>
Electricity By-law (adopted by Council, still awaiting to be promulgated)	4 SEPTEMBER 2006 GAZETTE NR 6313 Please note that there are very serious interventions with regards to Electricity Distribution, SSEG's and IPP's etc.  NOTE: the above is still applicable although the new Bylaw was approved in 2017 by Council, but new initiatives were imposed before any Promulgation.
Water supply and waste management	September 2020 GAZETTE NR 8057
<b>BUDGET AND TREASURY OFFICE</b>	<b>PROMULGATED/ GAZETTED AND GAZETTE NUMBER</b>
Credit control and debt collection by-law	10 April 2014 GAZETTE NR 7265
Rates by-law	10 April 2014 GAZETTE NR 7265
Tariff by-law	10 April 2014 GAZETTE NR 7265
<b>Public Safety</b>	<b>PROMULGATED/ GAZETTED AND GAZETTE NUMBER</b>
Management and Control of Informal Settlement within the Jurisdiction of the Municipality.	4 April 2008 Gazette Nr

NAME OF THE BY-LAW	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Noise Control by-law	May 2004 Reviewed by law referred to DCD portfolio by Council sitting of 27 July 2021. The by law is waiting to be gazetted.
Fire Brigade Services by-law	11 June 2019 GAZETTE NR 8016
Public Passenger and goods by-law	19 February 2004 Gazette Nr
Problem Building By-law	11 June 2019 Gazette Nr 8016
PLANNING AND HUMAN SETTLEMENT	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Spatial planning and land use management by-law (Reviewed)	29 January 2019, Gazette Nr
Spatial planning and land use management by-law (Reviewed)	20 November 2018, Gazette Nr 7955
OFFICE OF THE SPEAKER	PROMULGATED/ GAZETTED AND GAZETTE NUMBER
Public participation by-law	1 October 2019 GAZETTE NR 8062
Rules of order by-law (reviewed)	8 August 2017 GAZETTE NR 7788

## 2.10 WEBSITE

The Rustenburg Local Municipality website has been running on the domain [www.rustenburg.gov.za](http://www.rustenburg.gov.za). It was developed using the latest content management system in the IT environment called WordPress. The Rustenburg Local Municipality is among the most visited sites on the google search engine which makes it easier for the users to access the website, and this also confirms that the municipality's Search Engine Optimization (SEO) is up to standard. The most visited pages on the website since it was developed are as follows:

- Home page;
- Vacancies;
- Tenders;
- Customer care;
- Notices;
- Documents.

**Table 2.11 Documents available on the Website**

No.	Document	Available on the Website
1	Current annual and adjustment Budgets and all budget related documents.	Yes
2	All current budget related policies	Yes
3	2023/2024 Annual Report	Yes
4	Oversight Report on 2023/2024 Annual Report	Yes
5	All Performance Agreements (2024/2025) required in terms of Section 57(1)(b) of the Local Government: Municipal Systems Act, 2000	Yes
6	The Top Layer SDBIP 2024/2025	Yes
7	Performance Management System Framework (Referred back from Mayoral Committee for further processing)	No
8	Integrated Development Plan (IDP) 2024/2025	Yes
9	IDP, Budget and PMS Process Plan 2024/2025	Yes
10	Supply Chain Management Contracts and / or Service Level Agreements: 2024/2025	Yes
11	All long-term borrowing contracts	Yes

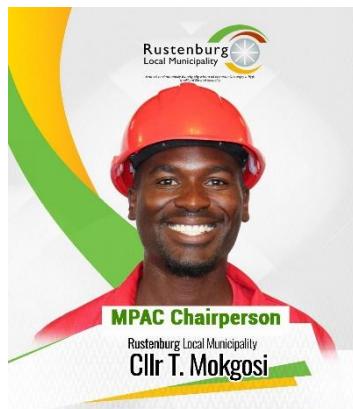
12	Quarterly reports in terms of Section 52(d) of the Local Government: Municipal Finance Management Act, 2003	Yes
13	An information statement containing a list of assets over a prescribed value that has been disposed of in terms of section 14(2) or (4) of the Local Government: Municipal Finance Management Act, 2003 during the period under review.	Yes
14	Supply Chain Management contracts above R200 000 for the 2024/2025 financial year	Yes
15	Contracts having future budgetary implications entered in terms of Section 33 of the Local Government: Municipal Finance Management Act, 2003.	Yes
16	Public – Private Partnership (PPP) agreements referred to in Section 120 of the Local Government: Municipal Finance Management Act, 2003.	None

## 2.11 MUNICIPAL OVERSIGHT COMMITTEES

Rustenburg Municipal Council is central to the accountability and oversight processes of local government, as vested by the legislation. Through a delegation of powers system, the municipality has established Council (Oversight) Committees that include the Mayoral, Portfolio and other Committees to execute its policies and by-laws to assist in efficiently and effectively performing any of its functions or exercising any of its powers. Municipal Council is in terms of legislation mandated to oversee on the financial and non-financial performance of the municipality for a specific financial year. Municipal Council plays an oversight on the Annual Report of a specific financial year, by noting and delegating MPAC to review it and make recommendations to Council. The review process includes, engagement with the Management of the Municipality, Mayoral Committee, Auditor General of South Africa, and the Performance Audit Committee for quality assurance purposes.

The municipality has in compliance with Section 79A of the Structures Act, established the Municipal Public Accounts Committee (MPAC) to strengthen accountability and oversight function. In terms of the 2024/25 Annual Report, MPAC is the statutory Council Committee empowered by legislation to review the report, subject the same report to public scrutiny and make recommendations to Council. Subsequently, the MPAC must table an Oversight Report on the Annual Report before Council consideration.

## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



Clr T. Mokgosi was appointed on the 31<sup>st</sup> of March 2025, per Council Resolution No. 7 of Item 58, as the MPAC Chairperson.

The Municipal Public Accounts Committee (MPAC) was established in terms of section 79A of the Municipal Structures Act, 1998 (Act No 117 of 1998). The committee was established for the effective and efficient oversight function on behalf of the Council. Membership excluded the Executive Mayor, Speaker, Chief Whip, or a Member of Mayoral Committee (MMC) and was comprised of the following councilors:

MPAC MEMBER	DESIGNATION	TENURE	
		FROM	TO
Cllr J. Melanzi	Chairperson	22.11.2021	31.07.2024
Cllr D. Nel	Chairperson	23.08.2024	31.03.2025
Cllr T. Mokgosi	Chairperson	31.03.2025	To date
Cllr M. de Beer		22.11.2021	14 April 2025
Cllr O. Kombe		25.03.2025	To date
		25.03.2025	To date
Cllr S. Manyaku		29.01.2025	To date
Cllr F. Moatshe		29.01.2025	To date
Cllr P. Mokua		30.06.2025	To date
Cllr J. Monaise		29.01.2025	To date
Cllr M. Mosete		22.06.2024	To date
Cllr N. Nhacuangue		22.11.2021	To date
Cllr T. Nkaelang		22.11.2021	To date
Cllr K. Phiri		22.06.2024	To date
Cllr C. Serunye		22.11.2021	To date
Cllr L. Snyders		22.11.2021	To date
Cllr M. Phalole		22.11.2021	15 April 2025
Cllr P. Morapedi		22.11.2021	Deceased
Cllr M. Seloma		22.11.2021	Deceased

The committee had the following meetings during the period under review including special meetings and further investigated other matters referred by council in accordance with the approved annual work plan.

**Table 2.7 Meetings of the Public Accounts Committee**

No	Details of the Meeting	Total number of meetings held.	Date
1	Scheduled as per central diary (Ordinary meeting)	0	N/A
2	Special meeting	6	29 October 2024 21 January 2025 29 January 2025 06 February 2025 24 March 2025 24 June 2025
3	Meeting with the Senior Management	3	04 December 2024 19 February 2025 20 August 2025
4	Meeting with the Executive Mayor and Mayoral Committee	1	20 February 2025
5	Meeting with the Performance Audit Committee (PAC)	2	13 February 2025 21 August 2025
6	Meeting with the Rustenburg Water Trust	1	19 February 2025
7	Auditor-General South Africa	1	13 February 2025
8	National Treasury	1	21 August 2025
9	Public Participation	9 (Clustered wards as per Notice:05/ 2025)	03 March 2025 - 12 March 2025

### **Performance Audit Committee (PAC)**

The Performance Audit Committee was established in terms of section 166 of Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The members of the Performance Audit Committee were appointed by the council of the municipality. It should consist of minimum of three (3) members and maximum of five (5) members with appropriate experience and who are not in the employment of the municipality or municipal entity. They meet as often as required to perform the committee's functions, but at least a minimum of four (4) times a year. The composition and meeting intervals are as prescribed by the MFMA section 166.

The Performance Audit Committee is an independent advisory body that must advise the municipal council, the political office bearers, the accounting officer, management and staff of the municipality and the municipal entity, on matters relating to:

- Internal financial control and internal audits.
- Risk management.
- Accounting policies.
- The adequacy, reliability and accuracy of financial reporting, records and information.
- Performance management.
- Effective governance.
- Compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation.
- Performance evaluation; and
- Any other matter referred to it by the Municipality or its entity.

The Performance Audit Committee should be safeguarded from undue influence in exercising its responsibilities in an objective manner.

The Committee does not perform any management functions or any management responsibilities, as this could prejudice the objectivity of the Committee.

### **COMPOSITION OF THE PERFORMANCE AUDIT COMMITTEE (PAC)**

The committee's terms of reference require a maximum of five (5) members and consists of the members listed below.

**Table 2.3 Members of the Performance Audit Committee**

<b>No.</b>	<b>MEMBER</b>	<b>TERM</b>	<b>POSITION</b>	<b>STATUS</b>
1.	S Ngobeni	3 years (Appointed 03 November 2023)	Chairperson	Current
2.	G Mokoana	3 years (Appointed 03 November 2023)	Member	Current
3.	M Matolong	3 years (Appointed 03 November 2023)	Member	Current

#### **Meeting Attendance**

During the year under review, fourteen (14) Performance Audit Committee meetings were held for the parent municipality and the municipal entity (Rustenburg Water Services Trust). External stakeholders such as the Auditor General of South Africa (AGSA), National Treasury were invited to these meetings.

**Table 2.4 Attendance of meetings**

#### **RUSTENBURG LOCAL MUNICIPALITY**

<b>No.</b>	<b>MEMBER</b>	<b>ROLE</b>	<b>MEETINGS HELD</b>	<b>NUMBER OF MEETINGS HELD</b>	<b>NUMBER OF MEETINGS ATTENDED</b>
1.	S. Ngobeni	Chairperson	19 July 2024 (4 <sup>th</sup> Quarter – 2023/24) 23 August 2024 (AFS & APR 2023/24) 13 September 2024 (RLM & RWST - Audit Strategy & Engagement Letter) 15 November 2024 (1 <sup>st</sup> Quarter - 2024/25) 03 December 2024 (RLM PAC - Draft Management Report & Draft Audit Report 2023/24) 28 February 2025 (2 <sup>nd</sup> Quarter - 2024/25) 14 March 2025 (2 <sup>nd</sup> Quarter continued) 21 May 2025 (3 <sup>rd</sup> Quarter – 2024/25)	8	8
2.	G Mokoana	Member		8	8
3.	M Matolong	Member		8	8

#### **RUSTENBURG WATER SERVICES TRUST**

<b>No.</b>	<b>MEMBER</b>	<b>ROLE</b>	<b>NUMBER OF MEETINGS HELD</b>	<b>NUMBER OF MEETINGS ATTENDED</b>
1.	S. Ngobeni	Chairperson	6	6
2.	G Mokoana	Member	6	6

No.	MEMBER	ROLE	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
3.	M Matolong	Member	6	6

## CHAPTER THREE: SERVICE DELIVERY PERFORMANCE (PART I)

### INTRODUCTION

This chapter presents the annual performance results of the municipality during the 2024/2025 financial year. It will provide reasons where there was underperformance and measures that are being taken to remedy the situation.

## COMPONENT A: BASIC SERVICE

### 3.1 ANNUAL PERFORMANCE REPORT (SECTION 46 OF THE MSA)

#### Introduction

The Annual Performance Report is hereby submitted to the Rustenburg Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 63 on annual reporting. This report covers the performance information from 01 July 2024 to 30 June 2025 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP) as amended following the approval of the adjustment budget on the 28 February 2025. As National Treasury declared the approved adjustment unfunded, Council had to consider the 2<sup>nd</sup> budget adjustment which was approved in a special meeting of the 29<sup>th</sup> May 2025.

This Report reflects the actual performance of the Municipality as measured against the performance indicators and targets in its 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP).

This part of the report endeavors to provide accounts to the Municipal Council in line with the following six (6) National Government's Strategic Key Performance Areas for local government, which are:

- (1) Municipal Institutional Transformation and Development.
- (2) Good Governance and Public Participation
- (3) Municipal Financial Viability and Management
- (4) Local Economic Development and Job Creation
- (5) Basic Service Delivery; and
- (6) Spatial Rationale and Municipal Planning Alignment

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area.

#### Legislative requirements

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000, which stipulates as follows:

- (1) (1) *A municipality must prepare for each financial year a performance report reflecting—*
  - (a) *the performance of the Municipality and each external service provider during that financial year.*
  - (b) *a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and*
  - (c) *measures taken to improve performance.*

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

### **Performance Management Overview And Process**

To improve performance planning, implementation, reporting and measurement, the institution implemented the following actions:

At the beginning of the 2024/2025 financial year, there were 46 KPIs in the SDBIP. During the adjustment period, 1 KPI was removed and remained with 45 KPIs.

The scorecards table in the SDBIP provides for Portfolio of Evidence which must accompany the report to ensure each KPI is supported by relevant proof of achievement.

The Municipality endeavored during the development of the Top Layer to adhere to the “SMART” principle in setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making them measurable.

### **Comparative Analysis Of The 2023/2024 And 2024/2025 Performance**

The municipality’s performance by the end of June 2024 was at **56%**. Based on confirmation through the internal audit process and confirmation by the assessment panel, Performance for the financial year under review overall performance was **67%**.

Key Performance Areas (KPAs)	Organisational Performance				Organisational Performance			
	2023/2024				2024/2025			
	TOTAL Number of KPI's	KPI's Achieved	KPI's not achieved	Performance in Percentages	TOTAL Number of KPI's	KPI's Achieved	KPI's not achieved	Performance in Percentages
Municipal Institutional Development and Transformation	4	1	3	25%	4	4	0	100%
Good Governance and Public Participation	1	0	1	0%	3	0	3	0
Municipal Financial Viability and Management	12	6	6	50%	12	6	6	50%
Local Economic Development and Job Creation	4	2	2	50%	3	3	0	100%
Basic Service Delivery and Infrastructure Development	20	15	5	75%	19	13	6	64%
Spatial Rationale and Municipal Planning Alignment	5	2	3	40%	4	4	0	100%
<b>Total</b>	<b>46</b>	<b>26</b>	<b>20</b>	<b>57%</b>	<b>45</b>	<b>30</b>	<b>15</b>	<b>67%</b>

## PERFORMANCE PER KEY PERFORMANCE AREA (KPA)

### Key Performance Area (KPA 1): Municipal Transformation and Institutional Development

#### MUNICIPAL STRATEGIC PRIORITY: Drive optimal municipal institutional development, transformation and capacity building

STRATEGIC PRIORITY: Drive optimal municipal institutional development, transformation and capacity building

KPI 1	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of Policies submitted to Council by June 2025	10	15	Draft Policies LLF Minutes PFC Minutes Mayoral Agenda Council Agenda	7	Not Achieved	10	No Revision	Draft Policies Council Agenda	11	Achieved

#### Comment on Achievement of the KPI and Remedial Measures

##### Status of Performance: Achieved

The annual target was 10 Policies to be reviewed but 11 were approved by council. The list of approved Policies for the financial year 2024/2025 is as follows:

NO	ITEM /POLICY	ITEM NUMBER	DATE OF COUNCIL
1.	Group Information Security Policy	Item 91	30 July 2024
2.	Information Technology Strategy	Item 193	19 March 2025
3.	ICT Baseline Security Policy	Item 194	19 March 2025
4.	ICT Helpdesk and Incident Management	Item 195	19 March 2025
5.	ICT Governance framework	Item 196	19 March 2025
6.	Disaster Recovery Plan	Item 197	19 March 2025
7.	ICT Cyber Security Policy	Item 198	19 March 2025
8.	ICT Change Management Policy	Item 199	19 March 2025
9.	Personal Protective Equipment Policy	Item 87	27 May 2025
10.	Practical Experience Training Policy	Item 88	27 May 2025
11.	Succession Planning and Career Development Policy	Item 89	27 May 2025

KPI 2	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of ICT Disaster Recovery Back-up and replication conducted by June 2025	12	No Revision	Recovery Test Certificate Monthly back-up and Replication Reports	12	Achieved	12	No Revision	Back-up and Replication Certificate of Success Monthly back-up and Replication Reports	12	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<b>Status of Performance: Achieved</b> <ul style="list-style-type: none"> <li>- Twelve (12) ICT Disaster Recovery back-up and replication of municipal data was successfully conducted from July 2024 to June 2025.</li> <li>- The annual budget was R 4 500 000, expenditure to date is R 4 472 027.83 which translate to 99,4% of the budget spent.</li> </ul>										

Municipal Strategic Objective: Develop and implement internal capability model (institutional core and critical competencies, scarce skills, maintenance skills) that enhance institutional and external stakeholders' development communities and institutional capability

KPI 3 Number of training interventions implemented in line with the Workplace Skills Plan by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	95%	No Revision	Training Expenditure Report signed off by CFO	17.3%	Not Achieved	95% allocated training budget spent on personnel training by 30 June 2025	4	List of training interventions Attendance Register	16	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<b>Status of Performance: Achieved</b> The Annual target of Training interventions was Four (4) and for the year under review thirteen (16) Training interventions were implemented. The training interventions implemented are listed below:										
Name of programmes		Provider Name			Date of Training			Total Number of Employees Trained		
1. Renewal of Operators Licenses		Ramotshakane Consulting & Projects Siyabulela Mawela			01-12 July 2024			71		
2. Basic Electricity		Ramotshakane Consulting & Projects Siyabulela Mawela			03-09 July 2024			10		
3. Basic Electricity		Ramotshakane Consulting & Projects Siyabulela Mawela			03-09 July 2024			27		
4. Renewal of Operators licences		Ramotshakane Consulting & Projects			10 July 2024			3		

5. Project Management	Nonunu Projects (Pty) Ltd	18-20 September 2024	<b>36</b>	
6. Ms Excel Basic – Advanced	Pilkhortem Dinoko	6-8 November 2024	<b>28</b>	
7. Customer Relations	Lewerb Holdings	16-18 October 2024	<b>28</b>	
8. First Aid Level 2 & 3	Thaloki Investments	9-11 October 2024	<b>27</b>	
9. Fire Appliances and Reconditioning	FPASA	11-15 November 2024	<b>2</b>	
10. Disciplinary and Grievance Procedure	SALGA	25-28 February 2025	<b>46</b>	
11. Conflict Management	Orbit TVET College	26-30 June 2025	<b>16</b>	
12. Emotional Intelligence	Orbit TVET College	26-30 June 2025	<b>13</b>	
13. Basic Electricity	Orbit TVET College	26-30 June 2025	<b>18</b>	
14. Basic Plumbing	Orbit TVET College	26-30 June 2025	<b>20</b>	
15. Confined Space	Orbit TVET College	26-30 June 2025	<b>12</b>	
16. Working at Heights	Orbit TVET College	26-30 June 2025	<b>17</b>	
		<b>TOTAL</b>	<b>374</b>	

KPI 4 Percentage of budgeted positions filled 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	120	50%	Advert signed off by MM Quarterly implementation report on recruitment plan signed off by Director Recruitment Plan Appointment Letter	5%	Not Achieved	85%	8%	List of vacant budgeted positions Appointment Letters	9.4%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<b>Status of Performance:</b> Achieved  - Out of a total of vacant budgeted positions of 790, Seventy-four (74) were filled which amounts to 9.4%. The annual target was set at 8%.										

## Key Performance Area (KPA 2): Good Governance and Public Participation

### MUNICIPAL STRATEGIC PRIORITY: UPHOLD GOOD GOVERNANCE AND PUBLIC PARTICIPATION PRINCIPLES

Municipal Strategic Objective: Drive Good Governance and Legislative compliance in all Municipal processes

KPI 5 Percentage of Council resolutions implemented by June 2025	2023/2024					2024/2025																																							
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved																																			
	100%	98%	4 x Agenda of Council Council Resolutions Spreadsheet with actual performance	76%	Not Achieved	98%	No Revision	Council Resolution Spreadsheet with actual performance	95%	Not Achieved																																			
Comment on Achievement of the KPI and Remedial Measures																																													
<p><b>Status of Performance: Not Achieved</b></p> <p>A total number of 258 Council Resolutions were registered since 2021 causing a backlog. Of the 258 resolutions, 71 were 100% completed and 173 in progress. Only 14 of the 258 have not been attended to. This makes up 95% against the 98% targeted.</p> <table border="1"> <thead> <tr> <th>YEAR</th><th>TOTAL RESOLUTIONS</th><th>NON-RESPONSE</th><th>IN PROGRESS</th><th>COMPLETED</th></tr> </thead> <tbody> <tr> <td>2021</td><td>14</td><td>0</td><td>12</td><td>2</td></tr> <tr> <td>2022</td><td>46</td><td>0</td><td>33</td><td>13</td></tr> <tr> <td>2023</td><td>37</td><td>0</td><td>27</td><td>10</td></tr> <tr> <td>2024</td><td>94</td><td>6</td><td>54</td><td>34</td></tr> <tr> <td>2025</td><td>67</td><td>8</td><td>47</td><td>12</td></tr> <tr> <td><b>TOTAL</b></td><td><b>258</b></td><td><b>14</b></td><td><b>173</b></td><td><b>71</b></td></tr> </tbody> </table> <p>Reasons for non-achievement</p>											YEAR	TOTAL RESOLUTIONS	NON-RESPONSE	IN PROGRESS	COMPLETED	2021	14	0	12	2	2022	46	0	33	13	2023	37	0	27	10	2024	94	6	54	34	2025	67	8	47	12	<b>TOTAL</b>	<b>258</b>	<b>14</b>	<b>173</b>	<b>71</b>
YEAR	TOTAL RESOLUTIONS	NON-RESPONSE	IN PROGRESS	COMPLETED																																									
2021	14	0	12	2																																									
2022	46	0	33	13																																									
2023	37	0	27	10																																									
2024	94	6	54	34																																									
2025	67	8	47	12																																									
<b>TOTAL</b>	<b>258</b>	<b>14</b>	<b>173</b>	<b>71</b>																																									

There was a backlog in respect of implementation of council resolutions. As a result of that, focus had to be ensuring that the long outstanding resolutions are given priority hence 14 of the 258 were still not given attention.

#### **Remedial Measures**

Develop and implement an intensive monitoring tool on implementation of Council Resolutions.

KPI 6 Number of audit paragraphs reduced from the 2023/2024 audit report by 30 March 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	4	No Revision	Auditor General's Report	0	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p><b>Status of Performance: Not Achieved</b></p> <p>Qualified audit opinion was expressed by AGSA</p> <p><b>Reason for non-achievement:</b></p> <p>Issues raised were technical and complex in nature and therefore could not be resolved by 30 June 2025.</p> <p><b>Remedial action:</b> The PAAP has been categorized into short- and long-term plans. The issues under the long-term plan will be resolved from the 2025/26 financial year which will then result in a reduction of audit paragraphs. Continuously monitor and regularly report on comprehensive Post Audit Action Plan (PAAP) through meetings such as directorates, management, mayoral and ordinary meetings since PAAP is a standard item.</p>										

KPI 7 Delegations reviewed and submitted to Council by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved
	-	-	-	-	-	31 March 2025	30 June 2025	Revised Delegation Report Council Agenda	0	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p><b>Status of Performance: Not Achieved.</b> The target date for finalization of the delegation was 30 June 2025, which was not met.</p> <p><b>Reasons for non-achievement</b> Prolonged research to incorporate new pieces of legislation and benchmarking with municipalities of the same size. An item for the draft delegations was tabled before the IDP Portfolio Committee meeting per item number 1 of 23 May 2025. The PFC did not quorate, and the item was not taken to the next level.</p> <p><b>Remedial Measures</b> The item will be resubmitted for consideration by council. Finalization of the delegations will be moved to end December 2025.</p>										

## Key Performance Area (KPA 3): Municipal Financial Viability and Management

### MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management

KPI 8 Percentage collection of budgeted revenue by June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
85%	No Revision	Signed CFO Calculation from Schedule  C Schedule  Extract from the financial system	68%	Not Achieved	85% collection of budgeted revenue by 30 June 2025	No Revision	Signed: CFO calculation from C Schedules.	81%	Not Achieved	
Comment on Achievement of the KPI and Remedial Measures										
<b>Performance:</b> Not Achieved  <u>Revenue</u>  Comparing the budget and actual after the budget adjustment. Budget inclusive of grants: 7 857 356 000 Minus Transfers and Subsidies: 2 071 917 000 Targeted revenue: 5 785 439 000  Year to date actual revenue: 6 689 988 000 Minus Grants received: 2 010 159 000 Internally generated revenue: 4 679 829 000  _____ 4 679 829 000 81% _____ 5 785 439 000										

The annual target was 85% and the actual achieved is 81%.

#### Reason for non-achievement

- Low collection levels were primarily due to reduced payments by consumers, particularly in residential and business sectors as a result of installation of alternative energy sources.
- Mushrooming of informal settlements with illegal connections.
- The big variance on electricity revenue has negatively influenced the performance for the period under review.

#### Remedial action

- Enhance credit control measures through disconnections and final notices as well as appointing debt collectors.
- Formalization of informal settlements and registration of consumers (opening of accounts)
- Improve consumer engagement to encourage payment and strengthen the indigent verification process to ensure accurate targeting and prevent abuse.

KPI 9 Percentage completion of Debtor profiling per ward to determine thresholds and affordability level by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence <sup>11</sup>	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100%	No Revision	Profiling report per ward	0	Not Achieved
Status of Performance										
Not Achieved										
Debt profiling is part of the scope on the RT27/2024.										
Reason for non-achievement:										
The procurement process took longer than expected to appoint debt collectors.										

Remedial action:

Debt collectors have been appointed, and the debt profiling target has been moved 30 June 2026.

Municipal Strategic Objective: Implement integrated capital funding model

KPI 10 Percentage of the municipality's capital budget spent by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved
	100%	No Revision	Certified BTO Spreadsheet	57%	Not Achieved	100%	No Revision	Certified BTO Spreadsheet	77%	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Not Achieved										
Funding Source	Sum of Full Year Budget		Sum of Year to Date Actual		% Spent					
CATA	000	455	533	405	89%					
CRR	486	238 961	082	214 268	90%					
FMG	000	100	000	100	100%					
INEP	000	20 971	653	18 235	87%					
MIG	895	302 310	956	216 555	72%					

NDPG	14 756 242	5 734 732	39%	
PTNG	33 304 817	18 490 064	56%	
WSIG	45 000 000	29 059 328	65%	
Grand Total	655 859 440	502 849 347	77%	

#### Reasons for Non-Achievement

Non-responsiveness of bids.

Community unrest and stoppage of projects.

#### Remedial Measures

More than one bid committees have been established to fast track the supply chain processes.

Prioritisation of grant funded bids.

Appointing competent social facilitators to manage conflict between communities and business.

KPI 11 Percentage of municipal payments made to service providers who submitted	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
95% within 30 of municipal payments made to service	No Revision	Signed CFO Calculation from C Schedule	36 days	Not Achieved	95% within 30 days of municipal payments made to service	No Revision	Register of invoices submitted and actual payment date	85% within 32 days	Not Achieved	

complete forms within 30-days of invoice submission by June 2025	provider who submitted complete forms within 30 days of invoice submission by June 2024		Extract from the financial system.			provider who submitted complete forms within 30 days of invoice submission by June 2025				
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#### Comment on Achievement of the KPI and Remedial Measures

Status of Performance: Not achieved

The target was 95% within 30 days. Actual performance is 85% within 32 days.

Reason for non-achievement:

Late submission of invoices and/or returning of invoice to the service provider due to non-attached supporting documents.

Insufficient cash-flow was also a contributing factor

Remedial action:

Send reminders and updates to service providers about invoice submission deadlines and documentation requirements and enhance credit control and debt collection efforts.

KPI 12 Percentage of the municipality's allocated budget spent on indigent relief for free basic services by June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	100%	No Revision	Indigent Register 1 x approved indigent application form.	70%	Not Achieved	100% of the municipality's allocated budget spent on indigent relief for free basic services	No Revision	Indigent Register Spreadsheet signed off by the CFO.	90.75%	Not Achieved

					by 30 June 2025												
Comment on Achievement of the KPI and Remedial Measures																	
Performance: Not achieved																	
Total allocated budget				R21 691 801.00													
		Total amounts spend			Percentage per quarter												
1st Quarter		R 5 221 135. 00			1.6%												
2nd Quarter		R 5 055 890. 65			47%												
3rd Quarter		R4 490 139. 82			68%												
4th Quarter		R 4 917 545. 38			90.75%												
Annual Total		R 19 684 710.54			90.75%												
Reason for non-achievement:																	
Previously, there was limited awareness of the indigent program; however, BTO has since launched a registration drive, and the public is now responding positively.																	
Remedial action:																	
Implementation of indigent registration program to counter the decline in registered indigents. There has been a significant increase in registrations, rising from 47% to 90.75%, reflecting a positive outcome so far and the institution will continue with the drive.																	

KPI 13	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Annual Financial Statements (AFS) of RLM and Consolidated AFS of	2x set of Annual financial statements of RLM and	No Revision	Acknowledgement of Receipt by AGSA	2x set of Annual financial statements of RLM and	Achieved	2x set of Annual financial statements of 2023/24	No Revision	Acknowledgement of receipt by AGSA	2x set of Annual financial statements of 2023/24	Achieved

2023/2024 submitted to AGSA for audit by 31 August 2024 and 30 September 2024 respectively	consolidate AFS for 2022/2023 submitted to AGSA by 31 August 2023.			consolidate AFS for 2022/2023 submitted to AGSA by 31 August 2023.		submitted to AGSA by 31 August 2024 and 30 September 2024 respectively			submitted to AGSA by 31 August 2024 and 30 September 2024 respectively	
<b>Comment on Achievement of the KPI and Remedial Measures</b>										
Status of Performance : Achieved										
The 2023/2024 Annual Financial Statements (AFS) of the Rustenburg local Municipality were submitted to the office of the Auditor General on the 30 August 2024. The consolidated AFS of 2023/2024 was submitted on the 30th of September 2024.										

KPI 14	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of section 52 reports submitted after every quarter to council by 30 June 2025	4	No Revision	Council Agenda	4	Achieved	4	No Revision	Council Agenda	4	Achieved
<b>Comment on Achievement of the KPI and Remedial Measures</b>										
Status of Performance : Achieved										
Four (4) Section 52 reports were submitted as follows: Quarter 1 – 24 October 2024 Quarter 2 – 30 January 2025 Quarter 3 - 27 May 2025 Quarter 4 – 26 July 2024										

KPI 15 Number of section 72 reports submitted within legislated timeframe to the Executive Mayor by 30 January 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1	No Revision	Council Agenda	1	Achieved	1	No Revision	Council Agenda	1	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
The Target for Section 72 Report (Mid-Year Assessment) was one (1). One (1) report was submitted to the Executive Mayor on the 15th January 2025 and tabled to Council on the 30th January 2025 per item 2.										

KPI 16 Adjustment budget submitted to Council by end of February 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	End of February 2024	No Revision		29 February 2024	Achieved	2024/25 Adjustment budget submitted to Council by 28 February 2025	No Revision	Council agenda	28 February 2025	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
The adjustments budget was tabled in council by the Executive Mayor on the 28th February 2025 per item 12 and was approved.										

KPI 17 MTREF budget prepared and submitted to Council by 31 May 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved / Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	MTREF submitted to Council by 31 May 2024	No Revision	Council Agenda	22 May 2024	Achieved	31 May 2025	No Revision	Council Agenda	29 May 2025	Achieved

**Comment on Achievement of the KPI and Remedial Measures**

Status of Performance: Achieved

The Medium Terms Revenue Expenditure Framework (MTREF) was first tabled in Council on the 31st March 2025 per item 61, underwent the process of public participation, including benchmarking session with national Treasury. The MTREF was tabled before Council on the 29th May 2025 per item 99 and approved by Council.

KPI 18 Positive cash reserve fund established and funded by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved / Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	R18m	No Revision	Separate bank account statements for investment	R44m	Achieved

**Comment on Achievement of the KPI and Remedial Measures**

Status of Performance: Achieved

The target for the year was R18m and the municipality invested R44m in cash reserves for the financial year under review.

KPI 19 Percentage reduction of unauthorized, Irregular, Fruitless and wasteful expenditure by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved / Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved / Not Achieved
	-	-	-	-	-	5%	No Revision	Signed of investigation report by MM	3%	Not achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Not achieved										
Fruitless and wasteful expenditure: Opening: R38 265 329 and Closing: R63 530 702 = 0% reduction.										
Unauthorised Expenditure Opening: R16 million and Closing R16 million = 0% reduction.										
Irregular Expenditure. Opening: R6 642 505 122 and Closing R6 442 380 174 = 3%										
Reasons for non-achievement										
Over-reliance on grants and subsidies Unrealistic revenue projections Closing of mining activities Non-compliance with supply chain regulations.										
Remedial measures										
Cash flow improvement plan with revenue enhancement initiatives. Communicate cash flow to directorates with high expenditure commitments.										

Regular reporting of actual versus budget to the directorates for determination of possible adjustments to budget  
 Disciplinary board in place for referral of misconduct allegations.

**Key Performance Area (KPA 4): Local Economic Development and Job Creation**

MUNICIPAL STRATEGIC PRIORITY: Drive a vibrant diversified economic growth and job creation

Municipal Strategic Objective: Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products

Municipal Strategic Objective: Stimulate and facilitate sustainable tourism development and marketing of Rustenburg City as a world-class destination

KPI 20  Number of Terms of references completed for the development of LED Strategy by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
-	-	-	-	-	-	1	No Revision	Draft Terms of reference for the development of LED Strategy	1	Achieved
<b>Comment on Achievement of the KPI and Remedial Measures</b>										
Status of Performance: Achieved										
The terms of reference for the review of the LED Strategy were completed as envisaged.										

Municipal Strategic Objective: Drive diversified and sustainable rural development

KPI 21	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of SMMEs supported with business development programmes by 30 June 2025	0	5	Attendance Registers  Report on Events Hosted	6	Achieved	50 SMMEs and Cooperatives events supported by 30 June 2025	1000	Reports of support interventions  Attendance registers	2075	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance : Achieved										
A total of 2075 SMMEs were supported and developed through various enterprise development programmes.										

KPI 22	2023/2024					2024/2025														
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved										
	1500	No Revision	List of people employed Projects reports on number of jobs created.	927	Not Achieved	1500	1000	List of People employed Projects Reports on Number of Jobs Created	1845	Achieved										
Comment on Achievement of the KPI and Remedial Measures																				
Status of Performance : Achieved																				
A total of 1845 work opportunities created through Public Employment Programmes by the end of the 24/25 FY.																				
<table border="1"> <thead> <tr> <th>Project</th> <th>Number of Jobs</th> </tr> </thead> <tbody> <tr> <td>EPWP – Phunyeletso</td> <td>196</td> </tr> <tr> <td>Libraries</td> <td>4</td> </tr> <tr> <td>CWP</td> <td>1645</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>1845</b></td> </tr> </tbody> </table>											Project	Number of Jobs	EPWP – Phunyeletso	196	Libraries	4	CWP	1645	<b>TOTAL</b>	<b>1845</b>
Project	Number of Jobs																			
EPWP – Phunyeletso	196																			
Libraries	4																			
CWP	1645																			
<b>TOTAL</b>	<b>1845</b>																			

## Key Performance Area (KPA 5): Basic Services and Infrastructure Development

Municipal Strategic Objective: Efficient provision of quality basic services and infrastructure within a well-planned spatial structure

KPI 23	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Percentage compliance of drinking water quality health risk determinants as per South African National Standards (SANS 241) by 30 June 2025	95%	No Revision	Lab Test Results	96.25%	Achieved	95%	No Revision	Laboratory reports	97.9%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance : Achieved										
The municipality is complying to the water quality as per South African National Standards (SANS 241). Rand water provides the municipality with laboratory results. 4th quarter achieved compliance is 97.9%.										
<b>Retail Network (Tap) Achieved Compliance to SANS 241: 2015 Standard</b>										
Risk Determinants			April 2025	May 2025	June 2025	Required compliance to SANS 241				
Acute Health Risk	E.coli		100%	100%	100%	99.0%				
	Nitrate		100%	100%	100%					
	Nitrite		100%	100%	100%					
	Combined Nitrate plus Nitrite		100%	100%	100%					

Average Compliance		100%	100%	100%		97.0%
Chronic Health Risk	Fluoride	100%	100%	100%		
	Copper	100%	100%	100%		
	Cadmium	100%	100%	100%		
	Lead	100%	100%	100%		
Average Compliance		100%	100%	100%		
Operational Health Risk	pH	100%	100%	100%		95.0%
	Turbidity (1NTU)	66.7%	62.5%	100%		
	Total Coliforms	100%	100%	90%		
	Heterotrophic Plate Count	88.9%	87.5%	100%		
	Aluminium	100%	100%	100%		
Average Compliance		91.1%	90%	98%		
Aesthetic Health Risk	Electrical Conductivity	100%	100%	100%		95.0%
	Manganese	100%	100%	100%		
	Iron	88.9%	100%	100%		
	Sulphate	100%	100%	100%		
	Zinc	100%	100%	100%		
Average Compliance		97.8%	100%	100%		
Other Determinants	Calcium	100%	100%	100%		95.0%
	Magnesium	100%	100%	100%		
	Color	88.9%	75%	100%		
	Alkalinity	100%	100%	100%		
	Hardness	100%	100%	100%		
Average Compliance		97.8%	95%	100%		
Overall Compliance		97.3%	97%	99.6%		
Overall Compl for Jan & Feb		$(97.3\%+97\%+99.6)/3 = 97.9\%$				

KPI 24 Percentage reduction of water losses by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	5%	No Revision	IWA balance report	7%	Achieved	10%	2,5%	Stamped BTO Water Losses Report	3.23%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
The Water Losses for 2024/2025 Financial Year stands at 20.77%, 2023/2024 water losses were at 24%. Annual Improvement = 3.23%										

KPI 25 Percentage appointment and site establishment for AC replacement Project for Phatsima & Meriting by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100%	5%	Completion certificate Handover Report	2.5%	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Not Achieved										
A contractor for Meriting 4 & 5 project has been appointed. Validity period of the tender documents expired. The bid for Phatsima project has been re-advertised.										
Reasons for Non-Achievement										
Project stoppages by the community.										
Remedial Measures										
Prioritisation of grant funded projects in the supply chain process.										
Appointing competent social facilitators to manage conflict between communities and business.										

KPI 26	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of formal households with access to water by 30 June 2025	100	New	List of Connections	22	Not Achieved	85 302	No Revision	Post Billing Report	85 337	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
The total number of households with access to water increased to 85 337 after 35 new connections were done.										

KPI 27	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of informal settlements with access to water by 30 June 2025	-	-	-	-	-	30	No Revision	Signed water tanker delivery schedule	29	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Not achieved										
Water has been distributed to 29 informal settlements as per the water tanker delivery schedule.										
Reason for Non-Achievement										
There were challenges in respect of water tankering thus not all informal settlements could be reached.										
Remedial measures										
Pitching of Jojo tanks in the informal settlements to ensure measuring the quantity delivered and areas delivered to.										
KPI 28	2023/2024				2024/2025					

% of premises with new water connections completed by June 2025	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	1 water project implemented	No Revision	Advert Appointment Letters	0	Not Achieved	67	95%	List of premises with new water connection	100%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved  A total of 35 applications were received and all connected, which translates to 100% performance.										

KPI 29 % acquisition of pre-paid smart water meters by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100%	25%	List of premises connected	0%	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance : Not Achieved  The conditional process to appoint a service provider under RT29 was as follows: Application to participate in the RT29-2024 contract: Completed Engagement process with awarded service providers by engaging all service providers and choosing the best solution for the Municipality: Completed Reasons for Non-Achievement Formalization and conclusion of the SLA with the selected service provider and provide National Treasury with the signed SLA and Council Resolution on step 3 was not completed.  Remedial Measures Finalization of all requirements to fast-track delivery.										

KPI 30 Percentage reduction of electricity losses by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	5%	2,5%	Extract from Financial statements	0%	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance: Not achieved</p> <p>The municipality's average losses are 29.43% as of June 2025. There was no reduction for the financial year under review.</p> <p>Reasons for non-achievement</p> <p>About 8% of the losses are due to technical losses because of aged infrastructure and overloads.</p> <p>Remedial Measures</p> <p>The municipality has been approved for participation in the RT 29 smart metering of National Treasury.</p> <p>The day-to-day inspections on functionality of meters are conducted and fines issued: for Q4 a total of 1133 meters were audited and 23 fines issued.</p> <p>Streetlights and high mast lights are not metered and will be accounted for by calculating the average consumption.</p> <p>There is a growing concern on illegal connections which must be removed in an operation that will include SAPS, Public safety and ward councilors.</p> <p>Amnesty is underway and there is no positive feedback as customers are not coming fourth.</p>										

KPI 31	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	-	-	-	-	-	100%	No Revision	1 detailed design report	100%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
Pre-engineering studies were completed, and tender document prepared for electrification. The information was submitted to Department of Energy and Electricity for funding Phase 1 Popo Molefe and R14. 7 million was received for 2025/26 financial year.										

KPI 32	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	100%	No Revision	Appointment Letter	85%	Achieved	100%	No Revision	Completion certificate	91%	Not Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Not Achieved										
The substation progress was at 91% and the line at 57% progress. Quarter four achieved scope of work included preparations of poles foundations, supply, and delivery of NECRT, epoxy flooring for substation and Oil holding dam structure. The project is behind schedule and currently on penalties.										
Reasons for non-achievement:										

Delay in delivery of long lead electrical equipment. Unfavorable weather conditions during construction period. Labour and community disruptions at various stages.

Remedial measures: Notice for acceleration of implementation was issued and penalties applied. Close monitoring of progress with weekly site meetings embarked on. The contractor to consider additional resources to speed up work on site.

KPI 33: Number of households within the licenced area of provision with access to electricity by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	100	New	List of Connections	194	Achieved	57 066	No revision	Post billing report	57 276	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
Originally the municipality provided 57 066 HH with electricity. A total of 210 new connections were done during the 2024/25 financial year bringing the total to 57 276 households.										

KPI 34 % completion of Tlhabane AC sewer pipes replacement by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	4 sewer projects implemented by June 2024	No Revision	Advert Appointment Letters	5	Achieved	1950	85%	Progress report	85.3%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
The target for the year under review was 85% while actual performance stood at 85.3%.										

KPI 35	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	16	No Revision	Smoke meter report x4 Report from Mines (Anglo & Tharisa) x4 Air Quality Monitoring Station Report x 4	28	Achieved	20	30	Air Quality Monitoring Stations Reports	30	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
The target for the year was 30 operations and 30 were conducted.										

KPI 36	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
Number of informal settlements with a waste service by 30 June 2024	65% recognised informal settlements with a waste service (26 out of 40 informal settlements)	26	Dated Pictures Sample Satisfactory questionnaire on waste collection services Vehicle tracking reports	11	Not achieved	30	No Revision	Signed Waste Collection Schedule Landfill Transaction Report Log Sheets Vehicle tracking reports	31	Achieved

Comment on Achievement of the KPI and Remedial Measures
<p>Status of Performance: Achieved</p> <p>The annual target was set at 30 and 31 informal settlements were serviced through the clearing of illegal dumping and waste collection and provision of Skip bins.</p>

KPI 37 Percentage of formal households on the valuation roll with a weekly solid waste removal service by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
80%	No Revision	Dated Pictures Sample Satisfactory questionnaire on waste collection services Vehicle tracking reports	100%	Achieved	100%	97%	Signed Waste Collection Schedule Landfill Transaction Report Log Sheets Vehicle tracking reports	97%	Achieved	

Comment on Achievement of the KPI and Remedial Measures
<p>Status of Performance: Achieved</p> <p>The Municipality directly serviced a total of 101 444 of the 104 837 (total number on the valuation roll) – 3393 (farms unserviceable). Across all the quarters, the municipality directly serviced 97% of all households in formal areas providing access to the refusal removal service.</p> <p>Serviced:  <math>101\ 444\ (\text{serviceable})/104\ 837\ (\text{total number on the valuation roll}) \times 100\% (\text{serviceable}) = 97\%</math></p>

KPI 38	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved
Number of service providers appointed for construction of bus stations by 30 June 2025	4 Integrated Transport Networks stations Constructed by June 2024	2 Integrated Transport Networks stations Constructed by June 2024	Completion Certificate	2	Achieved	5	2	Appointment Letters	0	Not Achieved
Status of Performance: Not achieved										
Reason for non-achievement The non-responsiveness of applicants is a major reason.										
Remedial measures: Re-advertisement of bid.										

KPI 39 Kilometres of new municipal Roads and stormwater drainage system built by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Corrected Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	10km	No Revision	Progress reports and Completion Certificate	16km	Achieved	8.5km	3,4km	Completion Certificates	4,443km	Achieved

#### Comment on Achievement of the KPI and Remedial Measures

Status of Performance : Achieved

A total of 4,2km on construction of various roads around Rustenburg was achieved during this financial year under review.

Project	Planned KMs	KM Completed	Progress
Tlaseng Roads and Stormwater	1.2 km	1.443 km	100
Phatsima Roads and Stormwater	1.8 km	1.8 km	100
Boitekong Ward 19 Roads and Stormwater	1.2 km	1.2km	93
Total KM	4,2 km	4,443km	

Reason for Overachievement:

Tlaseng Roads and Stormwater: The scope of work was extended from the “saving” incurred but within the appointed budget.

KPI 40 Percentage of firefighting incidents attended to by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved
	98%	No Revision	Register of fire incidents and quarterly report signed by Director	98%	Achieved	98%	No Revision	List of incidents attended to and signed off	100%	Achieved

**Comment on Achievement of the KPI and Remedial Measures**

Status of Performance : Achieved

A total of 728 firefighting incidents were reported, and 728 were attended to for the financial year under review. Response to incidents was at 100%.

Structural firefighting incidents were attended as follows during the financial year:

PERIOD	SET TARGET	QUARTER	NUMBER	Actual Calls Attended to	PERCENTAGE	COMMENTS
July - June 2024-2025	100% of Emergency (Fire and Rescue Calls attended to)	1st Quarter	308	308	100%	100% of reported emergency calls were attended to.
		2nd Quarter	177	177	100%	
		3rd Quarter	116	116	100%	
		4th Quarter	127	127	100%	
		Total	728	728	100%	

KPI 41 Number of crime prevention operations conducted by 30 June 2024	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
20	No revision	Notices of crime prevention operations conducted. Report on crime prevention operations conducted	34	Achieved	20 crime prevention operations conducted by 30 June 2025	40	Notices on crime prevention operations	Report on crime prevention operations conducted	44	Achieved
Comment on Achievement of the KPI and Remedial Measures										
<p>Status of Performance: Achieved</p> <p>The annual target was set at 40 operations while for financial year under review 44 were conducted.</p> <p>Cumulatively forty-four (44) crime prevention operations were conducted in the 2024/2025 Financial year.</p> <p>Quarter 1: 10 x crime prevention operations were conducted.</p> <p>Quarter 2: 11 x crime prevention operations were conducted.</p> <p>Quarter 3: 14 x crime prevention operations were conducted.</p> <p>Quarter 4: 9 x crime prevention operations were conducted.</p> <p>Annual:</p> <p>A total of 44 crime prevention operations were conducted for the financial year under review.</p>										

## Key Performance Area (KPA 6): Spatial Rationale and Municipal Planning Alignment

Develop and Sustain a Spatial, Natural and Built Environment

MUNICIPAL STRATEGIC PRIORITY: Develop and sustain spatial, natural and built environment

Municipal Strategic Objective: Improved service delivery through provision of high quality, reliable and cost-effective infrastructure based on integrated spatial planning

KPI 42 Number of township establishment applications submitted to the Municipal Planning Tribunal (MPT) by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved
	2	No Revision	Township Establishment Application	0	Not Achieved	2 townships	2 applications	Proof of Township Establishment Applications Submitted to MPT	3 applications	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance : Achieved										
3 Township establishment applications were submitted during the financial year under review while the target was 2. Applications submitted to the MPT are as follows:										
Yizo Yizo : Township establishment application was approved by the Municipal Planning Tribunal sitting held on 30/10/2024										
Mbeki Sun : Township establishment application was approved by the Municipal Planning Tribunal sitting held on 26/02/2025										
Marikana Ext 13: Township establishment application was approved by the Municipal Planning Tribunal sitting held on 26/02/2025										

KPI 43 Number of reviewed SDF submitted to Council by 31 March 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
1	No Revision	Council Minutes SDF.	0	Not achieved	1	No Revision	Council Minutes SDF	1	Achieved	
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved  The Spatial Development Framework was approved at a Special Council sitting of 28 February 2025, per item 17.										

KP1 44 Percentage of rezoning applications processed within prescribed timeframe of 15 months by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/ Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/ Not Achieved
	75%	No Revision	List of applications	100%	Achieved	75%	100%	Land use register (indicating submission and approval dates).	100%	Achieved
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										

A total of 93 rezoning applications were received and processed during the financial year 2024/2025.

Quarter 1: 32 applications were received and all processed translating to 100%  
 Quarter 2: 16 applications were received and all processed translating to 100%  
 Quarter 3: 15 applications were received and all processed translating to 100%  
 Quarter 4: 30 applications were received and all processed translating to 100%

Annual: 93 translating to 100%.

KPI 45 Percentage of building applications processed within the prescribed period of 30 days by 30 June 2025	2023/2024					2024/2025				
	Annual Target	Revised Annual Target	Portfolio of Evidence``	Actual Performance	Achieved/Not Achieved	Annual Target	Revised Annual Target	Portfolio of Evidence	Actual Performance	Achieved/Not Achieved
75% of building applications processed within prescribed period of 15 months by June 2024	No Revision	Building plan register (indicating submission	100%	Achieved	75%	100%	Building plan register (indicating submission and approval dates)	100%	Achieved	
Comment on Achievement of the KPI and Remedial Measures										
Status of Performance: Achieved										
A total of 689 building plans were received and processed during the financial year under review. Broken down as follows: First quarter: 200 building applications were received and processed within a period of 30 days translating to 100% Second quarter: 148 building applications were received and processed within a period of 30 days translating to 100% Third quarter: 178 building applications were received and processed within a period of 30 days translating to 100% Fourth quarter: 163 building applications were received and processed within a period of 30 days translating to 100%										

### 3.2 ASSESSMENT OF PERFORMANCE OF SERVICE PROVIDERS 2024-2025

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
Deviation 2020/21/0014	Appointment of experience attorneys to render various ommuted legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R38 062 301.91	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various ommuted legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R26 804 444.97	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various ommuted legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R14 670 427.28	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Municipality for a period of three (03) years							
Deviation 2020/21/0014	Appointment of experience attorneys to render various commuted legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R15 439 839.49	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various commuted legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R10 704 661.84	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
Deviation 2020/21/0014	Appointment of experience attorneys to render various commuted legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R7 049 645.49	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various commuted legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R965 074.86	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various commuted legal services for Rustenburg Local Municipality for a	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R856 785.31	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	period of three (03) years							
Deviation 2020/21/0014	Appointment of experience attorneys to render various unmetered legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R3 171 125.00	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various unmetered legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R1 062 189.52	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various unmetered	13/12/2020	Until court cases are complete (as	Upon completion of cases	Active	Rates	R1 162 989.01	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	legal services for Rustenburg Local Municipality for a period of three (03) years		per approved deviation)					
Deviation 2020/21/0014	Appointment of experience attorneys to render various unmetered legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R6 376 265.37	This award was made through Regulation 36.
Deviation 2020/21/0014	Appointment of experience attorneys to render various unmetered legal services for Rustenburg Local Municipality for a period of three (03) years	13/12/2020	Until court cases are complete (as per approved deviation)	Upon completion of cases	Active	Rates	R53 533 826.64	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DRT/0095/2019/20	Appointment Of A Contractor For The Rehabilitation And Resealing Of Streets As And When Required For A Period Of 36 Months	27/01/2021	26/01/2024 - Extended to 30 June 2024	42	Lapsed	Rates	R155 815 304.82	This award was made through competitive bidding
RLM/DCD/0015/2019/20	Re-Advert: Appointment of a Service Provider for Operations and Maintenance of Waterval Landfill Site	13/04/2021	12/04/2024 - extended to 31/07/2024	39	Lapsed	Rates	R49 108 650.48	This award was made through competitive bidding
RLM/DCD/0039/2020/21	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as When Services	2021/04/30	01/05/2024 - extended to 31/07/2024	39	Lapsed	Rates	R26 742 314.89	This award was made through competitive bidding
		2021/04/30	31/04/2024 - extended to the 31/07/2024	39	Lapsed	Rates	R213 614 601.97	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Required for a Maximum period of 36 Months							
RLM/DCS/0050/2020/21	Appointment of a service provider for the leasing and maintenance of printers and equipment for 3 years	02/06/2021	01/06/2024 - extended for a maximum of 6 months - 30 November 2024	42	Lapsed	Rates	R59 467 805.30	This award was made through competitive bidding
RLM/DTIS/0016/2020/21	Appointment of a service provider for supply and delivery of traffic signal equipment to RLM as and when required for a period of 3 years	29/07/2021	28/07/2024	36	Lapsed	Rates	R12 798 136.47	This award was made through competitive bidding
RLM/DTIS/0016/2020/21	Appointment of a service provider for supply and delivery of traffic signal equipment to RLM as and when	29/07/2021	28/07/2024	36	Lapsed	Rates	R7 627 628.00	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	required for a period of 3 years							
RLM/DTIS/0017/2020/21	Appointment of a service provider/s for supply and delivery of substations chargers and batteries to RLM as and when required for a period of 3 years	27/07/2021	26/07/2024	36	Lapsed	Rates	R2 756 259.12	This award was made through competitive bidding
RLM/DRT/0094/2020/21	Appointment of service provider for the provision of marketing stakeholder and communications services for Rustenburg Rapid Transport	20/08/2021	19/08/2024	36	Lapsed	Rates	R7 219 813.16	This award was made through competitive bidding
RLM/DRT/0086/2020/21	Appointment of one or more service providers for supply	03/09/2021	02/09/2024	36	Lapsed	Rates	R7 710 917.00	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and delivery of road marking paint as and when required for a period of 3 years							competitive bidding
RLM/DRT/0086/2020/21	Appointment of one or more service providers for supply and delivery of road marking paint as and when required for a period of 3 years	31/08/2021	30/08/2024	36	Lapsed	Rates	R5 726 061.10	This award was made through competitive bidding
RLM/DTIS/0018/2020/21	Appointment of a service provider for supply and delivery of padlocks to stores as and when required for a period of 3 years	22/07/2021	21/07/2024	36	Lapsed	Rates	R1 320 755.00	This award was made through competitive bidding
RLM/DRT/0088/2020/21	Appointment of one or more service providers for the hiring of	2021/09/30	29/09/2024	36	Lapsed	Rates	R26 404 047.38	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	construction machinery as and when required for a period of 36 months							competitive bidding
RLM/DRT/0088/2020/21	Appointment of one or more service providers for the hiring of construction machinery as and when required for a period of 36 months	27/09/2021	26/09/2024	36	Lapsed	Rates	R4 732 918.22	This award was made through competitive bidding
RLM/DRT/0088/2020/21	Appointment of one or more service providers for the hiring of construction machinery as and when required for a period of 36 months	13/12/2021	12/12/2024	36	Lapsed	Rates	R877 274.95	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DRT/0088/2020/21	Appointment of one or more service providers for the hiring of construction machinery as and when required for a period of 36 months	13/10/2021	12/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DRT/0088/2020/21	Appointment of one or more service providers for the hiring of construction machinery as and when required for a period of 36 months	13/10/2021	12/10/2024	36	Lapsed	Rates	R7 486 066.60	This award was made through competitive bidding
RLM/BTO/0126/2020/21	One or more service providers for the short-term insurance portfolio for a period of 3 years	30/09/2021	29/09/2024	36	Lapsed	Rates	R48 903 521.63	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DCS/0113/2020/21	Appointment of a service provider for the supply and delivery, commissioning and maintenance of the disaster recovery IT infrastructure as well as the provision of the aged information security solution on a 3 year term contract	15/11/2021	14/11/2024	36	Lapsed	Rates	R21 042 785.99	This award was made through competitive bidding
RLM/DRT/0087/2020/21	Appointment of one or more Service Provider for the Supply and Delivery of Roads and Storm Water Maintenance and Construction Material as and when required for a period of three years.	12/10/2021	11/10/2024	36	Lapsed	Rates	R6 395 558.70	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DRT/0087/2020/21	Appointment of one or more Service Provider for the Supply and Delivery of Roads and Storm Water Maintenance and Construction Material as and when required for a period of three years.	08/11/2021	07/11/2024	36	Lapsed	Rates	R6 586 475.00	This award was made through competitive bidding
RLM/DRT/0087/2020/21	Appointment of one or more Service Provider for the Supply and Delivery of Roads and Storm Water Maintenance and Construction Material as and when required for a period of three years.	25/10/2021	24/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DRT/0087/2020/21	Appointment of one or more Service Provider for the Supply and Delivery of Roads and Storm Water Maintenance and Construction Material as and when required for a period of three years.	25/10/2021	24/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DRT/0087/2020/21	Appointment of one or more Service Provider for the Supply and Delivery of Roads and Storm Water Maintenance and Construction Material as and when required for a period of three years.	13/10/2021	12/10/2024	36	Lapsed	Rates	R15 745 807.47	This award was made through competitive bidding
RLM/BTO/0127/2020/21	Appointment of a service provider for asset management	24/11/2021	23/11/2024	36	Lapsed	Rates	R16 617 598.50	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	to the municipality for a period of 3 years							competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Construction of Bospoortbulk Water Pipeline	7/12/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Structural report	07/10/2024	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and occupational health services for a period of 3 years						No work allocated	competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years -	7/12/2021	04/10/2024	36	Lapsed	Rates	R3 805 720.30	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	upgrading of internal roads in Kanana							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R3 237 595.50	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a	06/06/2022	Ongoing	ongoing	Active	Rates	R3 334 386.24	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	period of 3 years - Phatsima phase 9							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Marikana Roads	8/12/2021	04/10/2024	34	Lapsed	Rates	R9 548 687.03	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Tlhabane outfall sewer	7/10/2021	30/09/2024	36	Lapsed	Rates	R3 129 299.01	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	7/10/2021	04/10/2024	36	Lapsed	Rates	R2 130 181.83	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years - Marikana west sewer							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Boitekong sewer	07/10/2021	19/04/2024	30	Lapsed	Rates	R1 836 706.01	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Ramochana sewer	07/10/2021	31/05/2025	43	Lapsed	Rates	R8 402 782.89	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service	21/04/2023	04/10/2024	18	Lapsed	Rates	R1 054 034.00	

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and occupational health services for a period of 3 years - Pendoring Road Crossing							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Krokodile Road Crossing	21/04/2023	04/10/2024	18	Lapsed	Rates	R539 325.00	
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Wastonia Road crossing	21/04/2023	04/10/2024	18	Lapsed	Rates	R254 388.01	

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Rockcliff Road crossing	21/04/2023	04/10/2024	18	Lapsed	Rates	R48 492.51	
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Phala Road crossing	21/04/2023	04/10/2024	18	Lapsed	Rates	R448 629.99	
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years -	21/04/2023	04/10/2024	18	Lapsed	Rates	R1 318 629.99	

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Middle Road crossing							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Helen Joseph Road crossing	21/04/2023	04/10/2024	18	Lapsed	Rates	R334 815.00	
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Krematart Road crossing	21/04/2023	04/10/2024	18	Lapsed	Rates	R548 216.00	
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	engineering service and occupational health services for a period of 3 years						No work allocated	competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Tlaseng roads and stormwater	07/12/2021	04/10/2024	36	Lapsed	Rates	R1 493 634.94	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and occupational health services for a period of 3 years							competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Boitekong ward 19 roads and stormwater drainage	07/12/2021	The project is still ongoing	The project is still ongoing	Active	Rates	R4 964 636.03	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	engineering service and occupational health services for a period of 3 years						No work allocated	competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Replacing of Tlhabane AC sewer	07/12/2021	The projects is still ongoing	The projects is still ongoing	Active	Rates	R12 590 550.52	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and occupational health services for a period of 3 years							competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Active	Rates	R29 440 363.15	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - installation of	07/12/2021	Not indicated	Not indicated	Lapsed	Rates	R325 470.09	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	highmast lights in Ikageng/Mosenthaa I							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Refurbishment of a pipeline & Tlhabane AC water pipelines	07/12/2021	The project is still ongoing	The project is still ongoing	Active	Rates	R17 338 182.65	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	engineering service and occupational health services for a period of 3 years						No work allocated	competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Upgrading of Marikana Waste Transfer station	07/12/2021	04/10/2024	34	Lapsed	Rates	R793 027.53	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - implementation of Neighbourhood Development Partnership Programme Grant	07/12/2021	04/10/2024	34	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Marikana Main Road	Project not yet allocated	Project not yet allocated	Project not yet allocated	Lapsed	Rates	R2 916 290.48	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Side walks CBD	Project not yet allocated	Project not yet allocated	Project not yet allocated	Active	Rates	R2 300 506.08	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - freedom park ward 24 roads and stormwater stormwater	2021/12/07	The project is still ongoing	The project is still ongoing	Active	Rates	R8 309 554.71	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R1 745 534.73	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a				Active		R1 415 784.74	

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	period of 3 years Western bulk							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 -	2021/12/07	The project is still ongoing	The project is still ongoing	Active	Rates	R4 800 290.00	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Chaneng Roads and stormwater							
RLM/OMM/0099 /2020/22	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - RRT Superstations	11/11/2022	04/10/2024	04/10/2024	Lapsed	Rates	R5 791 163.14	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Lethabong sewer reticulation structures and upgrading of toilet structures WWTW	07/12/2021	The project is still ongoing	The project is still ongoing	Active	Rates	R33 878 955.38	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	engineering service and occupational health services for a period of 3 years						No work allocated	competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R3 448 929.49	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Replacement of AC Bulk and Reticulation in Phatsuma	12/04/2023	Project is still ongoing	Project is still ongoing	Active	Rates	R932 686.01	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Boitekong hawker stalls	07/12/2021	The project is still ongoing	The project is still ongoing	Active	Rates	R811 325.00	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - construction of Tlhabane West sports facility	07/12/2021	The project is still ongoing	The project is still ongoing	Active	Rates	R3 078 919.83	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a	07/10/2021	04/10/2024	36	Lapsed	Rates	R4 248 981.61	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	period of 3 years - Upgrading of Reivlei cemetery							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Monnakato Water Storage and Pumpstation	01/04/2023	Project is still ongoing	Project is still ongoing	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and occupational health services for a period of 3 years							competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years -	07/12/2021	04/10/2024	34	Lapsed	Rates	R7 836 604.39	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Robega roads and stormwater							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Seraleng sport	12/04/2023	04/10/2024	18	Lapsed	Rates	R1 164 150.37	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 year - Tlhabane sports	07/12/2021	The project is still ongoing	The project is still ongoing	Active	Rates	R839 397.65	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - installation of highmast lights in Kanana	07/12/2021	The project is still ongoing	The project is still ongoing	Active	Rates	R3 893 759.74	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - installation of highmast lights in Robega	Project not yet allocated	Project not yet allocated	Project not yet allocated	Active	Rates	R1 530 000.00	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - Construction of bulk and reticulation of water pipeline in Meriting 4 & 5	13/04/2023	The project is still ongoing	The project is still ongoing	Active	Rates	R4 763 234.04	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	health services for a period of 3 years							
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years	05/10/2021	04/10/2024	36	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/OMM/0099 /2020/21	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - augmentation of ground water supply - new mains to Cashan, Geelhout and Industrial reservoir	03/06/2022	04/10/2024	16	Lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0099 /2020/2	Appointment of a consultants for professional engineering service and occupational health services for a period of 3 years - augmentation of ground water supply - Molokwe Village;	03/06/2022	04/10/2024	16	Lapsed	R0.00 No work allocated		This award was made through competitive bidding
RLM/OMM/003/ 2022/23	Appointment of a contractor for the construction of Boitekong ward 19 roads and stormwater drainage	13/02/2023	0612/2023 extended to 25/01/2024. Contractor is on penalties	10	Terminated	R24 005 763.24	R16 245 174.77	The bid was sourced through competitive bidding
Deviation 2020/21/0009	Appointment of a service provider for the maintenance and hosting of the software as well as the provision of annual licenses and	25/01/2022	24/01/2025	36	Lapsed	Rates	R19 207 436.44	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	related support serves							
RLM/DTIS/0020/2020/21	Appointment of service provider(s) for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality as and when required for a period of 3 years.	11/05/2022	10/05/2025	36	Lapsed	Rates	R24 598 408.36	This award was made through competitive bidding
RLM/DTIS/0020/2020/21	Appointment of service provider(s) for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality as and	11/05/2022	10/05/2025	36	Lapsed	Rates	R24 576 431.18	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	when required for a period of 3 years.							
RLM/DTIS/0020/2020/21	Appointment of service provider(s) for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality as and when required for a period of 3 years.							
RLM/DTIS/0020/2020/21	Appointment of service provider(s) for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality as and	11/05/2022	10/05/2025	36	lapsed	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0020/2020/21	Appointment of service provider(s) for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality as and	11/05/2022	10/05/2025	36	Lapsed	Rates	R16 784 181.73	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	when required for a period of 3 years.							
RLM/DTIS/0020/2020/21	Appointment of service provider(s) for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality as and when required for a period of 3 years.							This award was made through competitive bidding
RLM/DCD/0005/2021/22	Appointment of service provider/s for the servicing of all fire equipment in the municipal buildings	11/05/2022	10/05/2025	36	Lapsed	Rates	R13 366 560.47	
RLM/BTO/0115/2020/21	Appointment of banks registered in terms of the Bank Act 1990 to supply	01/03/2022	28/02/2025	36	Lapsed	Rates	R1 133 880.44	This award was made through competitive bidding
		28/02/2022	-TBC	30/06/2027	60	Active	Bank charges	R0.00 No work allocated This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	banking services to the municipality							competitive bidding
RLM/DTIS/0026/2020/21	Appointment of an electrical contractor for (civil and electrical) supply, construction, commissioning & handover of new 2 x 40MVA 88/11KV substation in Boitekong for RLM as and when the funds become available	14/03/2022	TBC	36	Active	R87 825 029.18	R88 803 415.60	This award was made through competitive bidding
RLM/BTO/0053/2020/21	Appointment of a professional service provider to render VAT recovery services for a period of 36 months	24/03/2022	23/03/2025	36	Lapsed	Rates	R23 915 265.00	This award was made through competitive bidding
RLM/DCD/0075/2021/22	Appointment of service provider for a period of three	01/12/2022	30/11/2025	36 months	Active	Rates	R1 575 908.25	This award was made through

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	years for the supply and delivery of electrical, plumbing and carpentry material for Rustenburg Local Municipal							competitive bidding
RLM/DCD/0075/2021/22	Appointment of service provider for a period of three years for the supply and delivery of electrical, plumbing and carpentry material for Rustenburg Local Municipal	13/07/2022	30/11/2025	36 months	Active	Rates	R4 301 304.83	This award was made through competitive bidding
RLM/DCD/0075/2021/22	Appointment of service provider for a period of three years for the supply and delivery of electrical, plumbing and carpentry material for	01/12/2022	30/11/2025	36 months	Active	Rates	R5 608 448.12	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Rustenburg Local Municipal							
RLM/DTIS/0013/2021/22	Appointment of service provider for distribution and street light poles to Rustenburg Local Municipality as and when required for a period of three years	14/07/2022	13/07/2025	36 months	Active	R0.00 No work allocated		This award was made through competitive bidding
RLM/DTIS/0014/2021/22	Appointment of service provider for supply and delivery of crimping lugs and ferrules to Rustenburg local municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36 months	Active	R0.00 No work allocated		This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0012/2021/22	Appointment of service providers for maniature substations, ringmain units, metering units, distribution transformers, plinths and TRF oil to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36	Active	Rates	R11 849 162.19	This award was made through competitive bidding
RLM/DTIS/0012/2021/22	Appointment of service providers for maniature substations, ringmain units, metering units, distribution transformers, plinths and TRF oil to Rustenburg Local Municipality as and	14/07/2022	13/07/2025	36	Active	Rates	R16 558 870.00	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	when required for a period of 3 years							
RLM/DTIS/0012/2021/22	Appointment of service providers for maniature substations, ringmain units, metering units, distribution transformers, plinths and TRF oil to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36	Active	Rates	R18 573 462.19	This award was made through competitive bidding
RLM/DTIS/0012/2021/22	Appointment of service providers for maniature substations, ringmain units, metering units, distribution transformers,	14/07/2022	13/07/2025	36	Active	Rates	R9 305 326.44	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	plinths and TRF oil to Rustenburg Local Municipality as and when required for a period of 3 years							
RLM/DTIS/0013/2021/22	Appointment of service providers for distribution and streetlight poles to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0013/2021/22	Appointment of service providers for distribution and streetlight poles to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0014/2021/22	Appointment of service provider for supply and delivery of CU/AL crimping lugs and ferrules to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0014/2021/22	Appointment of service provider for supply and delivery of CU/AL crimping lugs and ferrules to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0014/2021/22	Appointment of service provider for supply and delivery of CU/AL crimping lugs and ferrules to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36	Active	Rates	R23 795.24	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	when required for a period of 3 years							
RLM/DCD/0003/2020/21	Request for proposal for the use of RLM closed landfill site for economic benefitia	15/07/2022	14/07/2043	20 YEARS	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/BTO/0090/2020/21	Appointment of a service provider to provide media buying services (radio, tv, newspaper, advertisement, marketing and promotion)for the period of 36 months	15/07/2022	14/07/2025	36 months	Active	Rates	R6 512 239.56	This award was made through competitive bidding
RLM/DTIS/0016/2021/22	Appointment of a service provider for MV and LV joints and terminations to Rustenburg local municipality as and	15/07/2022	14/07/2025	36 months	Active	Rates	R957 512.31	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	when required for a period of three years							
RLM/DTIS/0016/2021/22	Appointment of a service provider for MV and LV joints and terminations to Rustenburg local municipality as and when required for a period of three years	15/07/2022	14/07/2025	36 months	Active	Rates	R6 928 581.43	This award was made through competitive bidding
RLM/OMM/0094/2021/22	Appointment for the construction of Boitekong hawker stalls (Boitekong Trading Hub)	05/08/2022 as per site handover	27/07/2023 The contract was approved for extension on the 28/08/2023, after it had expired. Extended to 19/10/2023. Extended 15th	10	Lapsed	R8 494 707.94	R8 276 925.73	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
			December 2023					
RLM/DTIS/0025/2020/21	Request for proposal for funding, design, supply, installation and maintenance of a smart revenue collection system including online customer payment options for the Rustenburg local Municipality	01/08/2022	31/07/2025	36	Active	Rates	R112 317 078.38	This award was made through competitive bidding
RLM/DTIS0014/2021/22	Appointment if service provider for supply and delivery of crimping lugs and ferrules to Rustenburg Local Municipality as and when required for a period of 3 years	14/08/2022	13/08/2025	36 months	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0093 /2021/22	Appointment of a contractor for the construction of Tlhabane sports facility	21/09/2022 as per site handover	11/07/2023 extended to the 22/08/2023. Extended to the 22/12/2023. Extended to 30/04/2024. Extended to 28/06/2025. Request to extend	21	Active	R23 826 916.16	R24 936 858.75	This award was made through competitive bidding. The contract with the Rem mams was terminated and was ceded over to the sub contractor for completion. A variation of R3 841 420.62 was approved for the subcontractor to complete
RLM/DTIS/0014/ 2021/22	Appointment of a service provider/s for the supply and delivery of crimping lugs and ferrules to Rustenburg Local Municipality as and when required for a period of 3 years	14/07/2022	13/07/2025	36 months	Active	Rates	R13 296 562.02	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DRT/0105/2021/22	Appointment of a contractor for the construction of Rustenburg Rapid Transport stations	30/03/2023	07/05/2024	18	Terminated	R34 065 657.45	R21 429 520.01	This award was made through competitive bidding
RLM/DTIS/0013/2020/21	Appointment of a Service Provider for the Supply and Delivery of a High Voltage Test Machine and Equipment (Thumper) for a Period of 36 months	07/11/2022	06/11/2025	36	Active	R1 372 751.05	R1 372 751.05	This bid was awarded through competitive bidding
RLM/DCD/0041/2021/22	Appointment of a service provider to replace windows at Mpheni House for a period of 36 months as and when required for a period of 36 months	01/12/2022	30/11/2025	36 months	Active	Rates	R3 922 128.54	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0079/2021/22	Appointment of a service provider for the construction of Kanana roads and stormwater drainage Phase A	28/11/2022 - Awaiting site handover	02/08/2023. extended to 27/09/2023 and further to the 15/11/2023. Completed on 04/04/2024	8 months	Lapsed	R21 353 502.45	R20 063 356.56	The bid was sourced through competitive bidding
RLM/DTIS/0008/2021/22	Appointment of service providers for supply and delivery of streetlight and highmast light luminaires to stores as and when required for a period of 3 years	22/11/2022	21/11/2025	36	Active	Rates	R17 113 955.00	The bid was sourced through competitive bidding
RLM/DTIS/0008/2021/22	Appointment of service providers for supply and delivery of street light and highmast light luminaires to stores as and when	11/11/2022	10/11/2025	36	Active	Rates	R1 857 325.00	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	required for a period of 3 years							
RLM/DTIS/0008/2021/22	Appointment of service providers for supply and delivery of streetlight and highmast light luminaires to stores as and when required for a period of 3 years	11/11/2022	10/11/2025	36	Active	Rates	R6 125 412.50	The bid was sourced through competitive bidding
RLM/DTIS/0008/2021/22	Appointment of service providers for supply and delivery of streetlight and highmast light luminaires to stores as and when required for a period of 3 years	07/11/2022	06/11/2025	36	Active	Rates	R3 230 580.00	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0087 /2021/22	Appointment of a contractor for the upgrading of Lethabong waste treatment works and of installation of sewer reticulation system in ward 28 Phase B	10/08/2023 as per site handover	30/04/2024 - extended to 31/05/2024	8	Lapsed	R20 329 155.62	R20 012 683.67	The bid was sourced through competitive bidding
RLM/DCD/0024/ 2022/23	Appointment Of A Qualified Service Provider For The Data Management And Maintenance Of The Rustenburg Air Quality Monitoring Network For A Period Of 36 Months	31/01/2023	30/01/2026	36	Active	R2 644 204.33	R1 217 538.24	The bid was sourced through competitive bidding
Deviation 2022/23/15	Appointment of a Service Provider for the Upgrading of Tlhabane Outfall Sewer Pumpstation	01/06/2023 as per site handover	08/02/2024- as per site handover	7	Lapsed	R21 838 238.95	R19 476 140.09	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and Outfall Sewer (Emergency Project)							
Deviation 2022/23/15	Appointment of a service provider for Ramochana sewer upgrades and house connection	01/06/2023 – As per site handover. Extended to June 2024. The contractor is on penalties	Extended to June 2024. The contractor is on penalties	6	Lapsed	R26 360 376.00	R21 859 800.49	This award was made through Regulation 36.
RLM/DPS/0002/2022/23	Re-advert - appointment of one or more service providers for the provision of security services to Rustenburg Local Municipality for a period of 36 months	01/06/2023	31/05/2026	36	Active	Rates	R28 886 813.16	The bid was sourced through competitive bidding
RLM/DPS/0002/2022/23	Re-advert - appointment of one or more service providers for the provision of security	01/06/2023	31/05/2026	36	Active	Rates	R30 881 720.28	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	services to Rustenburg Local Municipality for a period of 36 months							
RLM/DPS/0002/2022/23	Re-advert - appointment of one or more service providers for the provision of security services to Rustenburg Local Municipality for a period of 36 months	01/06/2023	31/05/2026	36	Active	Rates	R19 745 650.49	The bid was sourced through competitive bidding
RLM/DPS/0002/2022/23	Re-advert - appointment of one or more service providers for the provision of security services to Rustenburg Local Municipality for a period of 36 months	01/06/2023	31/05/2026	36	Active	Rates	R16 272 473.27	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DCS/0073/2022/2023	Appointment of a service provider to provide information technology network services and maintenance support	15/05/2023	14/05/2026	36	Active	Rates	R19 043 522.35	The bid was sourced through competitive bidding
RLM/DPHS/0004/2022/23	Appointment of a qualified service provider for the development of Rustenburg Spatial Development framework	13/06/2023	12/06/2024 - Extended to 13/01/2025. Further extended to July 2025	24	Active	R1 377 731.90	R1 377 731.29	The bid was sourced through competitive bidding
RLM/DTIS/0006/2022/23	Appointment of a service provider for the manufacture, supply and delivery of 11KV indoor switchgear to Rustenburg Local municipality as and when required for a period of 36 months	08/03/2023	07/03/2026	36	Active	Rates	R11 174 720.59	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DRT/0028/2022/23	Appointment of one or more service providers for the supply and delivery of road traffic signs and street name plates as and when required for a period of 36 months	05/05/2023	04/05/2026	36	Active	Rates	R7 209 985.00	The bid was sourced through competitive bidding
RLM/BTO/0034/2022/2023	Appointment Of A Registered Auctioneer To Provide Auctioneering Services Of Movable And Immoveable Assets For Rustenburg Local Municipality For A Period Of Three (03) Years (36 Months)	27/04/2023	26/04/2026	36	Active	7.5%	R0.00 No work allocated	The bid was sourced through competitive bidding
Deviation 2022/2023/18	Software For The Caseware Financial	05/06/2023	04/06/2024	12	Lapsed	R237 360.95	R237 360.95	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Reporting Programme							
RLM/OMM/0107 /2022/2023	Appointment of a contractor for the upgrading of Lethabong waste reticulation in ward 27 – Phase A	26/09/2023 – As per site handover	26/10/2024. Extended to March 2025. Request to extend to 09/2025	18	Active	R35 825 580.45	R34 318 356.21	The bid was sourced through competitive bidding. The contract was approved for an extention
RLM/DRT/0027/ 2022/2023	Appointment of a contractor for the upgrading of Rustenburg taxi rank paving and stormwater Phase 3	16/11/2023 – As per site handover	12/2024 - as per site handover	12	Lapsed	R18 918 380.97	R18 923 461.50	The bid was sourced through competitive bidding. An amount of R708 266.60 was funded from contingencies
RLM/OMM/0051 /2022/23	Appointment of a contractor for the upgrading of Western Bulk sewer lines	26/09/2023 - As per site handover	14/06/2024 As per Site Handover	7	Lapsed	R9 455 987.63	R8 521 997.38	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
MOU 0001	Website enhancement for Rustenburg Local Municipality	22/07/2023	21/07/2026	36	Active	Rates	R748 199.25	
NT012/2020	Appointment of a service provider for the provision forensic services, possible fraud, corruption & nepotism	26/09/2023 - dependent on commencement	Awaiting formal start date. According to the appointment letter, the service is for 60 days	2	Active	Rates	R641 613.16	This award was made through a transversal contract.
Deviation 2023/24/09	Appointment of a provider of financial system	01/01/2024	Until appointment of the tender	Until appointment of the tender	Active	550 000 per month	R10 866 258.11	This award was made through Regulation 36.
RLM/OMM/0096 /2023/24	Appointment of a contractor for the construction of Phatsima roads and stormwater drainage Phase A	11/12/2023 - as per site handover	30/08/2024 as per site handover	6	Lapsed	R13 609 506.33	R11 182 584.97	This award was made through competitive bidding.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/0095 /2023/24	Appointment of a contractor for the construction of Tlaseng roads and stormwater drainage Phase A	11/12/2023 - as per site handover	31/07/2024 as per site handover	6	Lapsed	R10 692 642.89	R10 575 779.76	This award was made through competitive bidding.
RLM/OMM/0006 /2023/24	Appointment of a contractor for the replacement of Tlhabane AC water pipes - Phase 2	15/04/2024 - as per site handover	11/07/2025 as per site handover. Extended to 26/08/2025	16	Active	R55 449 338.36	R50 432 162.68	The bid was sourced through competitive bidding
RLM/DPHS/0017 /2023/24	Appointment of a panel of professional service providers to provide land surveying services for a period of 36 months	27/03/2024	26/03/2027	36	Active	Rates	R2 064 342.51	
RLM/OMM/0007 /2023/24	Appointment of a contractor for the replacement of Tlhabane sewer pipe Phase 2	27/02/2024 - as per site handover	30/06/2025 as per site handover.	20	Active	R58 437 094.27	R52 500 752.92	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/OMM/091/2021/22	Appointment of a service provider for the upgrading of Lethabong waste water treatment works and installation of sewer reticulation system in Rustenburg Local Municipality	30/01/2024 - As per site handover	30/07/2025 as per site handover. Extended to 31/03/2026	26	Active	R166 069 731.32	R104 207 527.27	The bid was sourced through competitive bidding
RLM/OMM/0008/2023/24	Appointment of a contractor for the construction of side walks of Karee road Marikana	24/07/2024 - as per site handover	25/03/2025 as per site handover	8	Terminated	R13 151 985.12	R3 088 448.10	The bid was sourced through competitive bidding
RLM/DRT/0004/2023/24	Appointment of a web developer for the development, maintenance and update of Yarona Rustenburg mobile application for all major applications	01/07/2024	30/06/2025	12	Active	R1 928 550.00	R500 000.00	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
Deviation 2023/2024/0014	Supply and delivery of fuses and circuit breakers	23/05/2024	22/11/2024	6	Lapsed	Rates	R980 762.50	This award was made through Regulation 36.
Deviation 2023/2024/0014	Supply and delivery of fuses and circuit breakers	23/05/2024	22/11/2024	6	Lapsed	Rates	R1 855 640.00	This award was made through Regulation 36.
Deviation 2023/2024/0014	Supply and delivery of fuses and circuit breakers	23/05/2024	22/11/2024	6	Lapsed	Rates	R1 421 370.30	This award was made through Regulation 36.
Deviation 2023/2024/0014	Supply and delivery of fuses and circuit breakers	27/05/2024	26/11/2024	6	Lapsed	Rates	R1 224 469.77	This award was made through Regulation 36.
Deviation 2023/24/0016	appointment of a service provider for the maintenance of the general valuation roll	01/05/2024	month to month until appointment	Until appointment of the tender	Active	R800 000 + rates	R6 133 887.25	This award was made through Regulation 36.
Deviation 2023/24/0017	Operational management of credit control, metre reading and	01/05/2024	month to month until appointment	Until appointment of the tender	Active	rates	R26 155 925.87	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	indigent management							
Deviation 2023/24/0019	Grass cutting, raking and Collection	17/05/2024	16/11/2024	6	Lapsed	Rates	R1 580 860.05	This award was made through Regulation 36.
Deviation 2023/24/0019	Grass cutting, raking and Collection	15/05/2024	14/11/2024	6	Lapsed	Rates	R319 268.05	This award was made through Regulation 36.
Deviation 2023/24/0019	Grass cutting, raking and Collection	08/05/2024	07/11/2024	6	Lapsed	Rates	R2 800 252.00	This award was made through Regulation 36.
Deviation 2023/24/0019	Grass cutting, raking and Collection	08/05/2024	07/11/2024	6	Lapsed	Rates	R5 021 034.76	This award was made through Regulation 36.
Deviation 2023/24/0021	Software for the CaseWare financial reporting programme	01/07/2024	31/06/2027	36	Active	R783 291.12	R567 705.15	This award was made through Regulation 36.
Deviation 2023/24/0020	Supply and delivery of MV and LV Cables	13/06/2024	12/12/2024	6	Lapsed	Rates	R0.00 No work allocated	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
Deviation 2023/24/0020	Supply and delivery of MV and LV Cables	12/06/2024	11/12/2024	6	Lapsed	Rates	R0.00 No work allocated	This award was made through Regulation 36.
Deviation 2023/24/0020	Supply and delivery of MV and LV Cables	10/06/2024	09/12/2024	6	Lapsed	Rates	R582 570.80	This award was made through Regulation 36.
Deviation 2023/24/0020	Supply and delivery of MV and LV Cables	13/06/2024	12/12/2024	6	Lapsed	Rates	R0.00 No work allocated	This award was made through Regulation 36.
Deviation 2023/24/0020	Supply and delivery of MV and LV Cables	11/06/2024	10/12/2024	6	Lapsed	Rates	R12 384 347.35	This award was made through Regulation 36.
Deviation 2023/24/22	Appointment of a service provider for the provision of annual license, revenue reconciliation and debt impairment audit support	28/06/2024	Until finalization of audit	Until finalization of audit	Lapsed	R10 358 385.00	R10 456 762.45	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0005/2023/24	Appointment of service provider for the supply and delivery of various water and sewerage material for Rustenburg Local Municipality as and when required for a period of 36 months	11/07/2024	10/07/2027	36	Active	Rates	R2 124 300.00	The bid was sourced through competitive bidding
RLM/DTIS/0005/2023/24	Appointment of service provider for the supply and delivery of various water and sewerage material for Rustenburg Local Municipality as and when required for a period of 36 months	11/07/2024	10/07/2027	36	Active	Rates	R9 121 985.00	The bid was sourced through competitive bidding
RLM/DRT/0013/2023/24	Appointment of a service provider for the supply and delivery of cold mix asphalt and	15/08/2024	14/08/2027	36	Active	Rates	R3 182 400.00	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	continuously graded hot premix asphalt as and when required for a period of 36 months.							
RLM/DRT/0013/2023/24	Appointment of a service provider for the supply and delivery of cold mix asphalt and continuously graded hot premix asphalt as and when required for a period of 36 months.	15/08/2024	14/08/2027	36	Active	Rates	R1 148 000.00	The bid was sourced through competitive bidding
RLM/DRT/0013/2023/24	Appointment of a service provider for the supply and delivery of cold mix asphalt and continuously graded hot premix asphalt as and when	15/08/2024	14/08/2027	36	Active	Rates	R2 112 200.00	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	required for a period of 36 months.							
RLM/DRT/0013/2023/24	Appointment of a service provider for the supply and delivery of cold mix asphalt and continuously graded hot premix asphalt as and when required for a period of 36 months.	15/08/2024	14/08/2027	36	Active	Rates	R2 112 200.00	The bid was sourced through competitive bidding
RLM/DRT/0013/2023/24	Appointment of a service provider for the supply and delivery of cold mix asphalt and continuously graded hot premix asphalt as and when required for a	15/08/2024	14/08/2027	36	Active	Rates	R1 394 500.00	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	period of 36 months.							
RLM/DRT/0013/2023/24	Appointment of a service provider for the supply and delivery of cold mix asphalt and continuously graded hot premix asphalt as and when required for a period of 36 months.	15/08/2024	14/08/2027	36	Active	Rates	R4 274 200.00	The bid was sourced through competitive bidding
Deviation 2024/25/02	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as	01/08/2024	31/10/2024	3	Lapsed	R21 000 000.00	R19 501 546.76	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	When Services Required							
Deviation 2024/25/02	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as When Services Required	01/08/2024	31/10/2024	3	Lapsed		R2 464 766.11	This award was made through Regulation 36.
Deviation 2024/25/01	Appointment of a Service Provider for Operations and Maintenance of Waterval Landfill Site	01/08/2024	31/10/2024	3	Lapsed	R3 897 522.50	R3 858 315.95	This award was made through Regulation 36.
RLM/DRT/0014/ 2023/24	Appointment of one or more service provider(s) for the provision of road marking services as	01/08/2024	31/07/2027	36	Active	Rates	R997 059.72	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	and when required for a period of 36 months.							
RLM/DRT/0014/2023/24	Appointment of one or more service provider(s) for the provision of road marking services as and when required for a period of 36 months.	01/08/2024	31/07/2027	36	Active	Rates	R3 009 889.96	The bid was sourced through competitive bidding
RLM/DRT/0014/2023/24	Appointment of one or more service provider(s) for the provision of road marking services as and when required for a period of 36 months.	01/08/2024	31/07/2027	36	Active	Rates	R4 741 012.60	The bid was sourced through competitive bidding
RLM/DTIS/0057/2023/24	Appointment of a service provider for the cleaning and maintaining water	30/08/2024	29/08/2027	36	Active	Rates	R5 511 196.75	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	reservoirs for a period of 3 years							
RLM/DTIS/0057/2023/24	Appointment of a service provider for the cleaning and maintaining water reservoirs for a period of 3 years	29/08/2024	28/08/2027	36	Active	Rates	R3 864 559.02	The bid was sourced through competitive bidding
RLM/BTO/0081/2023/24	mSCOA compliant financial system to Rustenburg Local Municipality for a period of 5 years (60 months)	31/07/2024	30/07/2029	60	Active	Rates	R0.00 No work allocated	The bid was sourced through competitive bidding and awarded through Section 114 (1)
RLM/DTIS/0058/2023/24	Appointment of one or more service providers for supply and installation of HDPE pipelines as and when required for a period of 3 years	28/08/2024	27/08/2027	36	Active	Rates	R14 292 310.22	The bid was sourced through competitive bidding and awarded through Section 114 (1)

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0058/2023/24	Appointment of one or more service providers for supply and installation of HDPE pipelines as and when required for a period of 3 years	28/08/2024	27/08/2027	36	Active	Rates	R20 062 368.99	The bid was sourced through competitive bidding and awarded through Section 114 (1)
RLM/DTIS/0058/2023/24	Appointment of one or more service providers for supply and installation of HDPE pipelines as and when required for a period of 3 years	28/08/2024	27/08/2027	36	Active	Rates	R31 661 160.94	The bid was sourced through competitive bidding and awarded through Section 114 (1)
Deviation 2023/24/23	Appointment of one or more service providers for the replacement of sewer pipes at Sondela	28/06/2024	01/10/2024	3	Lapsed	R12 659 972.80	R 12 520 158.22	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DPS/0065/2023/24	Appointment of a service provider for back-office software contravention system for Rustenburg traffic department for a period 3 years	01/07/2024	30/06/2027	36	Active	R1 750 000.00	R745 470.00	The bid was sourced through competitive bidding
Deviation 2024/25/0003	Appointment of a service provider for short term insurance	01/10/2024	30/09/2025	12	Active	Rates	R18 712 766.10	This award was made through Regulation 36.
Deviation 2024/25/0004	Appointment of service providers for the hiring of various heavy-duty trucks and yellow fleet	20/09/2024	19/03/2025	6	Lapsed	Rates	R4 003 107.56	This award was made through Regulation 36.
Deviation 2024/25/0004	Appointment of service providers for the hiring of various heavy-duty trucks and yellow fleet	20/09/2024	19/03/2025	6	Lapsed	Rates	R4 193 302.17	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
Deviation 2024/25/0004	Appointment of service providers for the hiring of various heavy-duty trucks and yellow fleet	20/09/2024	19/03/2025	6	Lapsed	Rates	R13 163 561.12	This award was made through Regulation 36.
Deviation 2024/25/0004	Appointment of service providers for the hiring of various heavy-duty trucks and yellow fleet	20/09/2024	19/03/2025	6	Lapsed	Rates	R1 970 000.00	This award was made through Regulation 36.
RLM/DCS/0093/ 2023/24	Appointment of a service provider for the leasing, configuration (inclusive of print management software), support and maintenance of printers and photocopier machines of Rustenburg Local Municipality	01/03/2025	28/02/2028	36	Active	Rates	R4 653 645.97	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0063/2023/24	Appointment of a service provider for the supply and delivery of water services equipment	14/11/2024	Once off	Once off	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
Deviation 2024/25/0006	Appointment of a Service Provider for Operations and Maintenance of Waterval Landfill Site	01/11/2024	31/01/2025	3	Lapsed	R3 900 000.00	R3 900 000.00	This award was made through Regulation 36.
Deviation 2024/25/0007	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as When Services Required	01/11/2024	31/01/2025	3	Lapsed	Rates	R19 501 463.16	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
Deviation 2024/25/0007	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as When Services Required	01/11/2024	31/01/2025	3	Lapsed	Rates	R2 408 104.83	This award was made through Regulation 36.
Deviation 2024/25/0008	Appointment Of A Contractor For The Construction Of Roads and stormwater drainage in Boitekong Ward 19	14/11/2024 - Awaiting site handover	31/03/2025. Extended to 13/06/2025. Request for extention to be submitted	7	Active	R9 806 255.38	R9 793 274.49	This award was made through Regulation 36.
Deviation 2024/25/0009	Appointment of a service provider to repair broken pipes, collapsed sewer pipes, and broken	20/11/2024	19/05/2025	6	Active	Rates	R18 550 938.08	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	manholes across RLM							
Deviation 2024/25/0011	Disaster recovery IT infrastructure	01/12/2024	31/05/2025	6	Lapsed	R162 955.00	R2 347 239.01	
Deviation 2024/25/0012	Asset Management Services	24/11/2024	23/05/2025	6	Active	R2 413 467.02	R3 067 980.36	This award was made through deviation 36
Deviation 2024/25/13	Leasing and maintenance of printers and equipment	02/12/2024	01/03/2025	3	Lapsed	200 000 copy charges + 1 025 239.84 rental	R5 369 468.37	This award was made through Regulation 36
RLM/DPHS/0061/2024/25	Appointment of a service provider for the review of RLM HSP within a period of 6 months.	06/02/2025	06/08/2025	6	Active	R598 000.00	R388 700.00	This award was made through competitive bidding
RLM/DCD/0028/2024/25	Appointment of a service provider for the renovation of Zinniaville hall for period of 3 months	17/03/2025	26/05/2025	3	Lapsed	R425 140.10	R425 140.10	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0017/2023/24	Appointment of service provider/s for supply and delivery of electrical toolboxes to Rustenburg Local Municipality as when needed for a period of 3 years	19/12/2024	18/12/2027	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0017/2023/24	Appointment of service provider/s for supply and delivery of electrical toolboxes to Rustenburg Local Municipality as when needed for a period of 3 years	19/12/2024	18/12/2027	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0017/2023/24	Appointment of service provider/s for supply and delivery of electrical toolboxes to Rustenburg Local Municipality as	01/06/2025	31/05/2028	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	when needed for a period of 3 years							
Deviation 2024/25/14	Appointment of a Service Provider for Operations and Maintenance of Waterval Landfill Site	01/02/2025	30/04/2025	3	Lapsed	R3 900 000.00 000.00	R 3 900	This award was made through Regulation 36.
Deviation 2024/25/15	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as When Services Required	01/02/2025	30/04/2025	3	Lapsed	R21 000 000.00	R 18 253 902.56	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
Deviation 2024/25/15	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as When Services Required	01/02/2025	30/04/2025	3	Lapsed	Rates	R2 371 679.72	This award was made through Regulation 36.
Deviation 2024/25/0016	Review and update of long term financial plan	09/04/2025	08/04/2026	12	Active	R184 000.00	R 184 000.00	This award was made through Regulation 36.
RLM/DCD/0031/2024/25	Appointment of service provider for the supply and delivery of brush cutters for parks	27/11/2025	Once off	Once off	Lapsed	R345 000.00	R 0 No work allocated	This award was made through competitive bidding
RLM/OMM/0120/2024/25	Re-advert: Appointment of a contractor for the construction of	17/04/2025 - As per site handover	17/10/2025 - as per site handover	6	Active	R7 739 744.46	R2 396 213.65	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Highmast light in Kanana Phase C							
RLM/OMM/0118 /2024/25	Appointment of a service contractor for the construction of highmast light in Robega Phase A	17/04/2025 - As per site handover	17/10/2025 - as per site handover	6	Active	R7 990 819.40 938.92	R 2 416	This award was made through competitive bidding
RLM/OMM/0119 /2024/25	Appointment of a contractor for the construction of highmast lights in Kanana Phase A	17/04/2025 as per site handover	17/10/2025 as per site handover	6	Active	R7 972 460.10 193.22	R 2 873	This award was made through competitive bidding
RLM/OMM/0123 /2024/25	Appointment of a contractor for construction of bulk reticulation water pipeline in Meriting 4& 5	14/04/2025 as per site handover	16/02/2026 as per site handover	10	Active	R38 118 921.49	R 8 393 564.58	This award was made through competitive bidding
RLM/DCD/0046/ 2024/25	Appointment of service provider for the repairs and maintenance of roads changing	17/04/2025	14/08/2025	4	Active	R397 885.95 885.95	R 397	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	rooms and ablution facilities							
RT 27 - 2024	Appointment of service providers for the provision of debt collection services to the state for a period of 60 months		31/05/2028	36	Active	% based	R0.00 No work allocated	This award was made through a Transversal contract with National Treasury
RT 27 - 2024	Appointment of service providers for the provision of debt collection services to the state for a period of 60 months		31/05/2028	36	Active	% based	R0.00 No work allocated	This award was made through a Transversal contract with National Treasury
RT 27 - 2024	Appointment of service providers for the provision of debt collection services to the state for a period of 60 months	01/06/2025	31/05/2028	36	Active	% based	R0.00 No work allocated	This award was made through a Transversal contract with National Treasury

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RT 27 - 2024	Appointment of service providers for the provision of debt collection services to the state for a period of 60 months		31/05/2028	36	Active	% based	R0.00 No work allocated	This award was made through a Transversal contract with National Treasury
Deviation 202425/018	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for Rustenburg Local Municipality as When Services Required	01/05/2025	31/05/2025	1	Lapsed	Rates	R 6 500 490.48	This award was made through Regulation 36.
Deviation 202425/018	Appointment of One or More Service Providers to Provide Household for Waste Collection Services for	01/05/2025	31/05/2025	1	Lapsed	Rates	R 853 969.50	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	Rustenburg Local Municipality as When Services Required							
RLM/DTIS/0016/2023/24	Appointment of service provider/s for supply and delivery of lamps to Rustenburg Local Municipality as and when required for a period of three (3) years.	01/06/2025	31/05/2028	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0016/2023/24	Appointment of service provider/s for supply and delivery of lamps to Rustenburg Local Municipality as and when required for a period of three (3) years.	01/06/2025	31/05/2028	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0016/2023/24	Appointment of service provider/s for supply and delivery of lamps to Rustenburg Local Municipality as and when required for a period of three (3) years.	01/06/2025	31/05/2028	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DTIS/0016/2023/24	Appointment of service provider/s for supply and delivery of lamps to Rustenburg Local Municipality as and when required for a period of three (3) years.	01/06/2025	31/05/2028	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding
RLM/DCD/0040/2024/25	Appointment of a service provider for the maintenance and repairs of public toilets at Mpheni	16/05/2025	15/08/2025	3	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	house for a period pf 3 months							
RLM/DCD/0042/2024/25	Appointment to replace the ceiling in truck bay at fire station for a period of 3 months	19/05/2025	18/08/2025	3	Active	R0.00 No work allocated		This award was made through competitive bidding
RLM/DCD/0159/2024/25	Appointment of one or more service providers to provide household waste collection services for Rustenburg Local Municipality	01/06/2025	31/05/2028	36	Active	R 1 405 047.00		This award was made through competitive bidding
RLM/DCD/0159/2024/25	Appointment of one or more service providers to provide household waste collection services for Rustenburg Local Municipality	01/06/2025	31/05/2028	36	Active	R 635 955.00		This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DCD/0159/2024/25	Appointment of one or more service providers to provide household waste collection services for Rustenburg Local Municipality	01/06/2025	31/05/2028	36	Active	Rates	R 750.00 2 321	This award was made through competitive bidding
RLM/DCD/0159/2024/25	Appointment of one or more service providers to provide household waste collection services for Rustenburg Local Municipality	01/06/2025	31/05/2028	36	Active	Rates	R 324.60 753	This award was made through competitive bidding
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	Rates	R 684.00	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	Rates	R 800.00 14	This award was made through competitive bidding
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	Rates	R 330.00 3	This award was made through competitive bidding
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	Rates	R0.00 No work allocated	This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	R0.00 No work allocated		This award was made through competitive bidding
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	R 500.00 13		This award was made through competitive bidding
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	R 385.00 279		This award was made through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	R0.00 No work allocated		This award was made through competitive bidding
RLM/DCD/0004/2024/25	Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years	01/06/2025	31/05/2028	36	Active	R 556.00 34		This award was made through competitive bidding
Deviation 2024/25/19	Appointment of a Service Provider for Operations and Maintenance of Waterval Landfill Site	01/05/2025	30/06/2025	2	Active	R2 700 000.00 000.00	R 2 600	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/BTO/0160/2024/25	Re-advert: Appointment of a service provider for asset management services for a period of 3 years	25/06/2025	24/06/2028	36	Active	R15 113 559.31	R0.00 No work allocated	This award was made through competitive bidding
Deviation 2024/25/0020	Appointment of service provider/s for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality on a month to month basis for a period not exceeding 3 months	12/05/2025	11/08/2025	3	Active	Rates	R0.00 No work allocated	This award was made through Regulation 36.
Deviation 2024/25/0020	Appointment of service provider/s for the provision, supply and delivery of labour on electrical	12/05/2025	11/08/2025	3	Active	Rates	R0.00 No work allocated	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	maintenance for Rustenburg Local Municipality on a month to month basis for a period not exceeding 3 months							
Deviation 2024/25/0020	Appointment of service provider/s for the provision, supply and delivery of labour on electrical maintenance for Rustenburg Local Municipality on a month to month basis for a period not exceeding 3 months	12/05/2025	11/08/2025	3	Active	Rates	R0.00 No work allocated	This award was made through Regulation 36.
Deviation 2024/25/0020	Appointment of service provider/s for the provision, supply and delivery of labour on	12/05/2025	11/08/2025	3	Active	Rates	R0.00 No work allocated	This award was made through Regulation 36.

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	electrical maintenance for Rustenburg Local Municipality on a month to month basis for a period not exceeding 3 months							
Deviation 2024/25/0021	Operational management of credit control, metre reading and indigent management	01/05/2025	31/07/2025	3	Active	R951 000.00	R0.00 No work allocated	This award was made through Regulation 36.
RLM/OMM/0157 /2024/25	Appointment of a contractor or the replacement of Tlhabane AC water pipes: Phase 2	04/06/2025	03/09/2026	15	Active	R61 371 832.00	R0.00 No work allocated	The bid was sourced through competitive bidding
RLM/DTIS/0015/ 2023/24	Appointment of a serviced provider/s for supply and delivery of LV circuit breakers and fuses	21/05/2025	20/05/2028	36	Active	Rates	R0.00 No work allocated	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	to Rustenburg Local Municipality as and when required for a period of 3 years							
RLM/DTIS/0015/2023/24	Appointment of a serviced provider/s for supply and delivery of LV circuit breakers and fuses to Rustenburg Local Municipality as and when required for a period of 3 years	21/05/2025	20/05/2028	36	Active	Rates	R0.00 No work allocated	The bid was sourced through competitive bidding
RLM/DTIS/0015/2023/24	Appointment of a serviced provider/s for supply and delivery of LV circuit breakers and fuses to Rustenburg Local Municipality as and when required for a period of 3 years	21/05/2025	20/05/2028	36	Active	Rates	R0.00 No work allocated	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
RLM/DTIS/0015/2023/24	Appointment of a serviced provider/s for supply and delivery of LV circuit breakers and fuses to Rustenburg Local Municipality as and when required for a period of 3 years	21/05/2025	20/05/2028	36	Active	Rates	R0.00 No work allocated	The bid was sourced through competitive bidding
RLM/DTIS/0015/2023/24	Appointment of a serviced provider/s for supply and delivery of LV circuit breakers and fuses to Rustenburg Local Municipality as and when required for a period of 3 years	21/05/2025	20/05/2028	36	Active	Rates	R0.00 No work allocated	The bid was sourced through competitive bidding
RLM/DTIS/0015/2023/24	Appointment of a serviced provider/s for supply and delivery of LV circuit breakers and fuses to Rustenburg Local Municipality as and when required for a period of 3 years	21/05/2025	20/05/2028	36	Active	Rates	R0.00 No work allocated	The bid was sourced through competitive bidding

BID NUMBER	DESCRIPTION OF GOODS-SERVICES-PROJECTS	EFFECTIVE DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	CONTRACT STATUS	CONTRACTED VALUE	TOTAL	NOTES
	when required for a period of 3 years							
RLM/DTIS/0015/2023/24	Appointment of a serviced provider/s for supply and delivery of LV circuit breakers and fuses to Rustenburg Local Municipality as and when required for a period of 3 years	21/05/2025	20/05/2028	36	Active	R0.00 No work allocated		The bid was sourced through competitive bidding

### 3.3 BASIC SERVICE DELIVERY PERFORMANCE

The Rustenburg Local Municipality is responsible for the following functions in terms of basic service delivery:

- **Electricity: provided in conjunction with Eskom in certain areas.**
- **Roads and Storm water.**
- **Waste Management; and**
- **Water and Sanitation Services.**

**Table 3.1 Introduction to Basic Services (Households)**

Basic Service	Actual Performance (As of 30 June 2023)	Actual Performance (As of 30 June 2024)	Actual Performance (As of 30 June 2025)
Water	64 017	292 726	295 731
Sanitation	84 751	84 751	85 300
Refuse Removal	101 157	101 444	101 444
Electricity Including Eskom	190 700	190 907	191 117
Roads (Construction and Maintenance: resealing, regravelling and road markings)	10.050 km	16km	4.443km

**Table 3.2 Water provision**

	2023/24 Actuals	2024/25 Actuals	2024/25 Budget	Variance
	R'000	R'000	R'000	Amount
<b>Total Operating Revenue</b>	<b>1 181 645</b>	<b>1 184 453</b>	<b>1 480 245</b>	<b>- 295 792</b>
Employee Costs	- 87 581	-87 675	- 106 214	<b>18 539</b>
Bulk Purchases	- 481 461	-477 853	- 583 223	<b>105 370</b>
Other Expenses	- 1 103 214	-1 186 082	- 398 807	<b>787 275</b>
<b>Total Operating Expenditure</b>	<b>- 1 672 256</b>	<b>- 1 751 610</b>	<b>- 1 088 244</b>	<b>- 663 366</b>
<b>Nett Operating Profit/ (Loss)</b>	<b>- 490 611</b>	<b>- 567 157</b>	<b>392 001</b>	<b>- 959 158</b>

**Table 3.3 Water Objectives Per IDP**

WATER OBJECTIVES AS PER IDP: 2023/24 FINANCIAL YEAR4						
Strategic Objectives	Key Performance Indicators	2023/24		2024/25		
		Target	Actual	Original Target	Adjusted Target	Actual Performance
Accelerated delivery and maintenance of quality basic and essential services to all communities	% of drinking water samples complying to SANS241 by June 2025	95%	95%	95%	-	97.9%
Accelerated delivery and maintenance of quality basic and essential services to all Communities	Percentage reduction of water losses by 30 June 2025	5%	5%	5%	-	3.23%

## WASTEWATER (SANITATION) PROVISION

**Table 3.5: Waste Water (Sanitation) provision**

	2023/24 Actuals	2024/25 Actuals	2024/25 Budget	Variance
	R'000	R'000	R'000	Amount
<b>Total Operating Revenue</b>	313 630	467 466	432 535	34 931
Employee Costs	- 506	10 438	- 17 914	- 524
Other Expenses	- 953	144 683	- 138 508	- 17 175
<b>Total Operating Expenditure</b>	- 459	155 121	- 156 422	- 17 699
<b>Nett Operating Profit/ (Loss)</b>	158 171	293 345	276 113	17 232

## ELECTRICITY PROVISION

**Table 3.9 Electricity Provision**

	2023/24 Actuals	2024/25 Actuals	2024/25 Budget	Variance
	R'000	R'000	R'000	Amount
<b>Total Operating Revenue</b>	2 109 521	2 274 943	3 093 788	- 818 845
Employee Costs	- 56 271	-59 833	- 58 509	- 1 324
Bulk Purchases	- 1 844 264	-2 064 064	- 2 297 139	233 075
Other Expenses	- 204 750	-198 572	- 222 166	23 594
<b>Total Operating Expenditure</b>	- 2 105 285	- 2 322 469	- 2 577 814	255 345
<b>Nett Operating Profit/ (Loss)</b>	4 236	- 47 526	515 974	- 563 500

## ELECTRICITY OVERVIEW

No	Service Provided	Performance		
		Annual Target	Actual	Variance
1	Boitekong Substation (2 X 20 MVA)	Progress	Final commissioning will be done after "procured Long Lead items are delivered.	Successful N/A
2	Modderfontein 33/11kV Substation	Finalized and passed the Retention period successfully	Final Hand over	N/A
3	Arnoldstad 11kV Substation	Finalized and passed the Retention period successfully	Final Hand over	N/A
4	Koorsboom 11kV Substation	Finalized	Initial Commissioning Hand over successful	N/A
5	Molendal 11kV Substation	Finalized	Initial Commissioning Hand over successful	N/A

6	Voltaire – Boitekong 132/88kV Line	Progress	Final commissioning will be done after “procured Long Lead items are delivered.	Successful N/A
4	House Connections (RLM)	As received	Handed over	210
	ESKOM			
5	House Connections (ESKOM)	DoRA Report	Handed over	163

## WASTE MANAGEMENT

**Table 3.12 Waste Management**

Details	2023-2024 Actuals	2024-25 Budget	2024 - 25 Actuals	Variance
Capital project				
Marikana-Construction of Transfer Station	R10 000 000	R5 000 000	R0.00	R5 000 000
Total Capital Expenditure	R0.00	R0.00	R0.00	R0.00

## Roads & Stormwater

The roads strategy of the municipality generally focuses on the following:

- The upgrading of gravel to paved/tarred roads, focusing on specific areas where there is greater need to improve mobility and quality of life in those areas.
- The maintenance of gravel roads in formal and informal settlements to enhance access to these areas.
- The execution of the patching strategy, rehabilitation and resurfacing of paved/tarred roads to prevent the deterioration of the existing infrastructure; and
- The improvement or construction of major roads to reduce traffic congestion and facilitate economic development.
- Implementation of an integrated public transport network
- Regulation and management of public transport services

## SANITATION

**Table 3.6 Sanitation Capital Expenditure**

MSC	Account Description	Full Year Budget	Year to Date Actual	Variance	YTD %
345	Ramotshana Sewer Network (funded from overall WSIG)	10 764 923	10 764 923	0	100%
345	Monakato Wastewater Treatment Works (WWTW)	2 910 000	0	2 910 000	0%
	<b>TOTAL</b>	<b>13 674 923</b>	<b>10 764 923</b>	<b>2 910 000</b>	<b>79%</b>

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### COMPONENT A: INTRODUCTION TO MUNICIPAL WORKFORCE & LEVELS

TABLE 4.1 WORKFORCE TOTALS 2025/06/30

Directorate	Division	No of posts	No Employees	Vacancies	Budgeted Vacancies
Community Development	Director & Admin Support	7	3	4	0
	Community Facilities	603	173	430	76
	Libraries & Information Serv.	94	47	47	11
	Waste Management	305	143	162	34
	Integrated Environmental Mang	5	4	1	0
	Civil Facilities & Maintenance	40	22	18	12
	Sub-Total	1054	392	662	133
Corporate Support Services	Director & Admin Support	4	1	3	2
	Human Resources	37	21	16	10
	Information Technology	19	12	7	3
	Admin Support Services	37	24	13	6
	Occupational Health & Safety	19	9	10	2
	Sub-Total	116	67	49	23
Technical and Infrastructure Services	Director & Admin Support	8	5	3	2
	Electrical Engineering	235	114	121	44
	Mechanical Engineering	77	30	47	19
	Water Services	317	187	130	59
	Sanitation Services	303	57	246	24
	Sub-Total	940	393	547	133

Directorate	Division	No of posts	No Employees	Vacancies	Budgeted Vacancies
Planning and Human Settlement	Director & Admin Support	9	3	6	1
	Building Control & Regulations	15	13	2	2
	Development Planning	31	18	13	8
	Unit Housing	40	29	11	4
	Estate Admin & Land Sales	15	7	8	4
	Sub-Total	110	70	40	19
Public Safety	Director & Admin Support	11	7	4	5
	Emergency & Disaster Mang.	363	88	275	27
	Licensing & Testing	178	62	116	33
	Traffic Services	505	107	398	61
	Law Enforcement	524	81	443	64
	Sub-Total	1581	345	1236	190
Budget and Treasury	CFO & Admin Sup	5	2	3	3
	Revenue & collection	86	36	50	23
	Billing	61	39	22	15
	Financial Management	59	30	29	18
	Financial Control	22	14	8	9
	Supply Chain Management	29	20	9	12
	Sub-Total	262	141	121	80
Local Economic Development	Director & Admin Support	4	3	1	1
	Trade & Invest/Rural Dev	11	5	6	4
	Economic Research & Policy	10	4	6	0
	Enterprise Development	16	5	11	5
	Sub-Total	41	17	24	10
Office of the Municipal Manager	MM & Admin Support	7	7	0	2
	Strategy & Planning	9	3	6	0
	Project Management	26	12	14	1

Directorate	Division	No of posts	No Employees	Vacancies	Budgeted Vacancies
	Legal & Valuation	11	8	3	1
	Auditing	8	6	2	0
	Risk Management	4	2	2	1
	RCC Offices	38	21	17	4
	Customer Care	53	34	19	16
	Sub-Total	156	93	63	24
Roads and Transport	Director & Admin Support	12	0	12	10
	Roads & Stormwater	228	120	108	70
	Sub-Total	240	120	120	80
Office of the Executive Mayor	Admin Support Services	16	5	11	4
	Mayoral Admin Officer	10	7	3	2
	Communication	7	3	4	0
	Intergovernmental Relations	3	2	1	0
	Special Projects	7	6	1	0
	VIP Protection Services	4	2	2	2
	Monitoring & Evaluation	6	2	4	0
	Sub-Total	53	27	26	8
Office of Chief Whip	Admin Support Services	5	1	4	5
Office of the Speaker	Admin Support Services	17	5	12	11
	MPAC	7	7	0	1
	Sub-Total	29	13	16	17
	TOTAL	4582	1678	2904	717

**Table 4.2 Vacancy Rate**

Vacancy Rate: 2024/2025				
No	Designations	No. of approved posts	No. of vacancies	Vacancy Rate (%)
1	Municipal Manager	1	0	0%
2	Chief Financial Officer	1	0	0%
3	Other section 56 Managers	7	1	1%
5	Senior Management	42	4	9.5%
6	Professionals	400	268	67%
7	Skilled people	1904	1557	82%
8	Semi-skilled people	970	676	70%
9	Unskilled	1257	383	30.5%
<b>TOTALS</b>		<b>4582</b>	<b>2889</b>	<b>63.0%</b>

**Table 4.3 Turn-over Rate**

Turn-over Rate			
Period	No. of Employees as at the beginning of the financial year	No of terminations during the financial year	Turnover Rate*
2022/2023	1729	144	8%
2023/2024	1700	46	2.7%
2024/2025	1677	44	3%

**Table 4.4.1 Minimum Competencies**

No.	Detail	Number of Employees
1	The total number of financial officials employed	141
2	The total number of financial officials whose competency assessments have been completed	35
3	The total number of supply chain management officials employed	21
4	The total number of supply chain management officials whose competency assessments have been completed	4
5	The total number of financial officials and supply chain management officials that meet the prescribed competency levels	39
6	The total number of financial officials and supply chain management officials whose performance agreements comply with regulation 16.	2

## COMPONENT B: CAPACITATING WORKFORCE



### 4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F	M	F
Renewal of Operators Licenses- Front-End Loader  Mr IKY Seduma	2024-07-01	J R Pule	Waste					1						1						1
		S Ramela	Sanitation						1					1						
		M Modise	Waste					1						1						
		N P Majoro	General Worker					1							1					
		L S Modise	Waste					1						1						1
		H M Kgosiemang	Waste					1						1						
		L V Motshwari	Waste					1						1						
		G J Wessel	Waste					1						1						
		P T Stemmer	Roads						1						1					
		E S Motlhake	Roads						1					1						
		S M Matlawa	Roads						1					1						
		S A Nyathi	Waste					1						1						
Renewal of Operators Licenses- Front-End Loader  IKY Seduma	2024-07-02	L M Nokwane	Parks						1					1						
		D T Magadla	Parks						1					1						1
		L L Mathe	Parks						1					1						
		M G Monnarula	Cemeteries						1					1						
		T O Legodi	Parks						1					1						
		S Lebala	Sanitation							1				1						
		J Lebese	Sanitation							1				1						
Renewal of Operators Licenses- Truck Mounted Crane  Ramothshakane Consulting & Projects Siyabulela Mawela	2024-07-03	L S Modise	Waste						1					1						
		D T Magadla	Parks						1						1					
		A K April	Roads							1				1						
		M P Seleke	Roads							1				1					1	
		S L Gumede	Roads							1				1						
		LL Rakoma	Roads							1				1						
		S A Nyathi	Waste						1					1						

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES									African		Coloured	Asian	White		
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F				
Renewal of Operators Licenses- Truck Mounted Crane Ramotshakane Consulting & Projects Siyabulela Mawela	2024-07-03	S T Podile	Roads							1						1			
		S Z Phetheni	Electrical							1						1			
		T O Legodi	Parks						1							1			
		L M Nokwane	Parks						1							1		1	
Renewal of Operators Licenses- Grader Siyabulela Mawela	2024-07-04	E S Motlhake	Roads							1						1			
		T H Diamond	Roads							1						1			
		P Majoro	Electrical							1						1			
		S Matlawe	Roads							1						1			
		P N Majoro	Waste						1							1		1	
		M K Molosi	Waste						1							1			
		H M Kgosiemang	Waste						1							1			
		T O Legodi	Parks						1							1			
		S Ramela	Sanitation							1						1			
		J Lebese	Sanitation							1						1			
		S Matlawe	Roads						1							1			
		J A Badenhorst	Roads							1								1	
		T H Diamond	Roads							1						1			
		S P Mthombeni	Roads							1						1			
		I Kaposhe	Roads							1						1			
		J Kgabu	Roads							1						1		1	
		L K Rakoma	Roads							1						1			
		N H Ngcobo	Roads							1							1		
		T Matsheba	Roads							1							1		
		S L Gumede	Roads							1						1			
		M P Seleke	Roads							1						1			

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	
		S T Podile	Roads							1					1			1		
		D V T Kapari	Roads							1					1					
		A K April	Roads							1					1					
		P T Stemmer	Roads							1					1					
Renewal of Operators Licenses- TLB  Mr Sello Modiba  Ramotshakane Consulting & Projects	2024-07-05	S P Mthomebeni	Roads							1					1					
		T O Legodi	Parks							1					1					
		M P Seleke	Roads							1					1					
		T H Diamond	Roads							1					1				1	
		S L Gumede	Roads							1					1					
		A K April	Roads							1					1					
		J Kgasu	Roads							1					1					
		S Matlawe	Roads							1					1					
Renewal of Operators Licenses- TLB  Ramotshakane Consulting & Projects	2024-07-05	T Matshaba	Roads							1						1				
		D V T Kapari	Roads							1					1					
		N H Ngcoba	Roads							1						1				
		L K Rakoma	Roads							1					1					
		E S Motlhake	Roads							1					1					
Basic Electricity  Mr IKY Seduma  Ramotshakane Consulting & Projects	2024/07/03-09	Motang H K	Housing					1							1					
		Sejake T E	Electrical							1					1					
		Hlabadira M	Civic Centre							1						1				
		Ngewu- Ndlovu A	Civic Centre							1						1				
		Motlhanke D	Civic Centre							1					1					
		Mojloa I	Community Hall							1					1					
		Kgampe V B	Civic Centre							1					1					

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian			White
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	M
	2024/07/03 -09	Sebego O M	Community Hall						1							1				
		Phetheni S	Electrical							1						1				
		Chirwa L P	Civil Management						1							1				
		Lekorwe K	Civil Facility						1							1				
		Motlogelwa A	Civil Facility						1							1				
		Masiki LL	Electrical							1						1				
		Mataboge H N	Electrical							1						1				
		Dail M V	Electrical							1						1				
		Motlou E B	Electrical							1						1				
		Ntlane S S	Electrical							1						1				
		Matshaba L	Electrical							1						1				
		Phiri H	Electrical							1						1				
		Kanduwa J G	Community Hall							1						1				
		Kelehe M P	Community Hall							1						1				
Basic Electricity	2024/07/03 -09	Modutwane D M	Electrical							1						1				
Mr IKY Seduma		Vilanculos M G	Electrical							1						1				
Ramotshakane Consulting & Projects		Raditladi E S	Electrical							1						1				
		Khunou F	Electrical							1						1				
Renewal of Operators Licenses - TLB		Ndlovu T I	Community Hall							1						1				
Mr Siyabulela	2024-07-08	Makgale B P	Community Hall							1						1				

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	
Ramotshakane Consulting & Projects	2024-07-09	Magadla D T	Parks						1							1				
		Lebala S	Sanitation Services							1						1				
		Kgosiemang H	Waste Management							1						1				
		Majoro P N	Waste Management							1							1			
		April A K	Roads							1						1				
		Nyathi S A	Waste Management							1						1				
		Molosi M K	Waste Management							1						1				
Renewal of Operators Licenses - TLB  Mr Siyabulela  Ramotshakane Consulting & Projects	2024-07-09	Kgosiemang H	Waste Management							1						1				
		Masigo P	Electrical								1					1				
		Ramela S	Sanitation Services								1					1				
		Ngobeza M I	Water Services								1					1				
		Mathe L L	Parks							1						1				
		Molosi M K	Waste Management							1						1				
		Marumale D D	Water Services								1					1				
		Mokgatlhane N P	Electrical								1					1				
		Majoro P N	Waste Management							1							1			
		Molemane T	Law Enforcement							1						1				
Renewal of Operators Licenses - Bobcat/Skid Steel Loader.  Siyabulela	2024-07-09	Kgosiemang H	Waste Management							1						1				
		Majoro L D P	Electrical								1					1				
		Ramela S	Sanitation Services							1						1				
		Molosi M	Waste Management							1						1				
		Pile J R	Waste Management							1						1				
		Wessel G J	Waste Management							1						1				

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES									African		Colour ed	Asian		White
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	
		Modise L S	Waste Management						1							1		
		Rakoma L K	Storm Water							1						1		
		Gumede S L	Storm Water							1						1		
		Mokgatlhane N P	Electrical							1						1		
Renewal of Operators Licenses - Bobcat/Skid	2024-07-09	Majoro P N	Waste Management						1							1		
		Nyathi S A	Waste Management							1						1		
Renewal of Operators Licenses - Cherry Picker Siyabulela	2024-07-10	Nokwane L M	Parks						1							1		
		Magadla D T	Parks							1						1		
		Mesesa S	Electrical							1						1		
Renewal of Operators Licenses - ForkLift MrSiyabulela	2024-07-10	Makgalemele K R	Stores	1												1		
		Gasealalwe J	Electrical							1						1		
		Mesesa A S	Electrical							1						1		
		Nokwane L M	Parks						1							1		
		Magadla D T	Parks						1							1		
		Mosime A V	Sanitation Services							1						1		
New TLB Operators Licenses Mr Siyabulela	2024/07/11 -12	Sephoketela T P	Parks						1							1		
		Sebako R S	Parks						1							1		
		Molefe R N	Sanitation Services							1						1		
		Pule I I	Sanitation Services							1						1		
		Mosime A V	Sanitation Services							1						1		
		Nkoe J I	Parks						1							1		
New Grader Operators Licenses	2024/07/11 -12	Lebala S	Sanitation Services							1						1		
		Mesesa S A	Electrical							1						1		
		Molefe R N	Sanitation Services							1						1		

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F	M	F
Ramotshakane Consulting & Projects		Pule II	Sanitation Services						1						1					
		Mosime A V	Sanitation Services						1						1					
Project management Nonunu projects Pty(Ltd)	2024/09/18 -20	Pule PP	Electrical						1							1				
		Kotane MM	PMU									1			1					
		Setshogoe O	Emergency & disaster			1									1					
		Mogapi A	Housing		1										1					
		Claries L	Estates		1										1					
		Letupu L	Housing		1										1					
		Gaesale M	PMU								1				1					
		Mokgoje PO	PMU									1			1					
		Keasitse KC	Roads and Storm						1						1					
		Pilane V	Roads and Storm						1						1					
		Setshedi P	Sports						1						1					
Project Management Nonunu Projects Pty (Ltd)	2024/09/18 -20	Maema M	Water Services						1						1					
		Xabile NA	Admin Support		1										1					
		kobe BA	Enterprise Dev.	1											1					
		Serutle GL	Building Control		1										1					
		Dube SD	Enterprise Develop	1											1					
		Phiri G J	Emergency & Disaster			1									1					
		Mpipi BB	Roads and Storm							1					1					
		Setsidiko BP	Electrical					1							1					
		Matlhola JT	OHS								1				1					
		Letsholo CD	Mechanical						1						1					
		Jabo TT	Emergency & Disaster			1									1					
		Marumo LD	Planning Dev.			1									1					

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Coloured	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F	M	F
		Mabe OE	Admin Support		1											1				
		Motsuonyane T	Enterprise Develop		1											1				
		Mekgwe CK	Enterprise Develop		1											1				
		Gienge KL	Rural Development		1											1				
		Ditibane LB	Building control			1										1				
		Setshogoe MM	OHS									1				1				
		Makete L	Admin Support											1		1				
		Bolokoe F	Admin Support						1							1				
		Serame K	Planning Dev.		1											1				
		Thabane B	Sanitation Services							1						1				
		Gaanakgomo A	Special Projects													1				
		Moloto B	Legal advisor										1			1				
		Mmutle D	Water services							1						1				
Customer Relations	16-18/10/24	Mosobe T.M	Traffic				1									1				
Lewerb Holdings		Nakedi TM	Customer Care												1		1			
Mr Lennox Gwara		Molefe S	Customer Care												1		1			
		Mataboge S	HR									1				1				
		Foko WL	Parks					1								1				
		Molefe J	Parks						1							1				
		Lekaowa N	Parks						1							1				
		Morapedi RG	Parks						1							1				
		Mhathe CN	Roads								1					1				
Customer Relations		Mfulwane NB	Roads								1					1				
		Nthuping LJ	Traffic					1								1				

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES									African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F
Lewerb Holdings		Mofuntshe PM	Office of the Mayor										1		1				
		Molapisi ICF	BTO	1											1				
		Makgwe OS	Office of the MM									1			1				
		Letswiti N	BTO	1											1				
		Pitsoe C	MM									1			1				
		Kruger B	Customer Care									1			1				
		Boikanyo RB	Traffic				1								1				
		Mmesa M	Admin									1			1				
		Ntshabele BM	Admin									1	1						
		Mathe K	BTO	1											1				
		Molenare NI	Mechanical							1					1				
		Mokgethi SP	BTO	1											1				
		Mokoatle GD	OHS								1				1				
		Lekaba KC	HR								1				1				
		Rapula M	Receptionist					1							1				
		Mosime A	Sanitation						1						1				
		Thibedi OM	BTO	1											1				
First Aid Level 2 & 3	9-11/10/2024	Africa C	VTS					1	1							1			
		Sedumedi A	water							1					1				
		Mohutsiwa	Roads								1				1				
		Rakoma MA	Fire department				1								1				
		Ratshomo LE	Electrical						1						1				
		Moate G	Mechanical							1					1				
		Molefe R N	Sanitation						1						1				
		Mahoa E	Swimming Pool								1				1				
		Lefsiné JK	Roads							1					1				
		Tshite TG	Roads							1					1				
		Sibanda GJ	Sanitation							1					1				

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F	M	F
	9-11/10/2024	Mafafi TS	Water						1						1					
		Sebothoma B	Water						1							1				
		Seabe M	Halls					1								1				
		Senne M	Halls						1							1				
Fist Aid Level 2 & 3  Thaloki Investments	9-11/10/2024	Mpshe TA	Traffic services				1									1				
		Lekwape M	Community halls					1								1				
		Sebothoma B	Water						1							1				
		Senne M	Halls					1								1				
		Seane M	Halls						1							1				
		Lekwape M	Halls					1								1				
		Nwiffus G	Mechanical						1							1				
		Lebala S	Sanitation						1							1				
		Ratshomo LE	Electrical						1							1				
		Moate G	Mechanical						1							1				
		Lekwape M	Halls					1								1				
		Seane M	Halls						1							1				
Ms Excel Basic - Advanced  Pilkhortem Dinoko  Ms Nolly Khumalo	2024/11/6-8	Letsholo C D	Mechanical						1							1				
		Mhatlhesh C N	Roads							1						1				
		Maubane B	Revenue	1												1				
		Lesomo K	Revenue	1												1				
		Nokemane M	Billing	1												1				
		Kgokong L V	Billing	1												1				
		Tsure P S	Human Resource							1						1				
		Kekana N J	SCM	1												1				
		Mabe T M	Human Resource								1					1				
		Phirichwane T V	Roads							1						1				

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	
Sedumedi P T Moatshe B D Modisakeng D M Cele M Sekano R M Thabane B M Mtshali N Mokgatlhe D A D Leseyane K P Bolokoe F R Xalabile N A Matlapeng T C	2024/11/6-8	Sedumedi P T	Water						1							1				
		Moatshe B D	Water						1											
		Modisakeng D M	Fire Services					1								1				
		Cele M	Revenue	1												1				
		Sekano R M	Fire Services					1								1				
		Thabane B M	Sanitation						1							1				
		Mtshali N	SCM	1												1				
		Mokgatlhe D A D	Billing		1											1				
		Leseyane K P	Water						1							1				
		Bolokoe F R	Admin Support							1						1				
		Xalabile N A	Admin Support				1									1				
		Matlapeng T C	Admin Support						1							1				
Ms Excel Basic - Advanced Pilkhortem Dinoko	2024/11/6-8	Sebolai M T	Library						1							1				
		Modisakeng M	Revenue		1											1				
		Motene R M	Billing	1												1				
		Serame M K	Admin Support				1									1				
Ms Nolly Khumalo		Molebatsi I L	Financial Control	1												1				
		Dudhia F	Billing	1														1		
Fire Appliances & Reconditioning FPASA Mr Peter Mdawe	2024/11/11-15	More M E	Fire Services					1								1				
		Modimoeng P K	Fire Services						1							1				
Intro to SAMTRA	2025/02/03-07	Setshogoe O	Fire department					1								1				

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F	M	F
NOSA (PTY) LTD																				
Disciplinary and Grievance	2025-02-25	Nakedi TM	Customer Care											1						
Procedure		Matebane E	Monitoring & Evaluation												1					
		Mokotedi LK	Community Facilities												1					
SALGA		Lesejane L	Financial Control	1												1				
		Mohlabi L	Human Resource											1		1				
Mr Mbulelo Zukane		Shingange R	Waste Management						1							1				
		Rakoma RLM	OHS											1			1			
		Lekotloane C	Law Enforcement					1								1				
		Mathulwe T	Financial Management	1												1				
		Moretsi W	Waste Management						1							1				
		Mpambani L	Internal Audit											1			1			
		Mkhwanazi T	Billing	1												1				
		Mokgophe M	Admin Support											1			1			
		van Vuuren J	Admin Support											1					1	
		Makona P	Admin Support											1			1			
		Ngwasheng S	Traffic services				1									1				
		Ramorula T	Housing		1											1				
			Financial Management														1			
		Mogale M		1													1			
		Suze T	Library						1								1			
Disciplinary and Grievance	2025-02-26	Paadi O	Internal Audit											1			1			
Procedure		Khiba B	Risk Management											1			1			
		Maape M	Corporate Support											1			1			
SALGA		Rademeyer J	RCC											1				1		
		Mhlangu G	RRT											1			1			

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F	M	F
Mr Mbulelo Zukane		Mokgara L	OMM										1		1					
		Khiba N	LED		1											1				
		Ntlhamun F	PMU										1		1					
		Mtyotja B	Human Resource									1			1					
Disciplinary and Grievance Procedure	2025-02-27	Montwedi L	Internal Audit										1		1					
SALGA		Bassardien C	Community Facilities						1										1	
		More N	Housing			1									1					
		Matsemela K	Waste Management							1					1					
Mr Mbulelo Zukane		Molefe M	Licensing & Testing				1								1					
		Ramothwal M E	Emergency & disaster												1					
		Ratsoma B	Financial Management	1												1				
		Oor A	Traffic Admin			1									1					
Induction		Saul M	Financial Management	1											1					
		Pilane V	Admin Support								1				1			1		
		Nkoane J	Waste Management					1							1					
		Setshogoe MM	OHS									1			1					
		Ntshangase S	SCM	1											1					
		Rangwako N	Billing	1												1				
		Dibetso E	Assets	1											1					
RLM		Dikoko M	Budget Office	1											1					
	2025/06/05 -06	Malekane W	Water and Sanitation						1						1					
		Ntsimane V	Water and Sanitation						1							1				
		Mmue N	Water and Sanitation							1					1					
		Selelo T	Water and Sanitation							1					1					

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES									African		Colour ed	Asian		White		
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F	
Mr Bard Mtyotja	2025/06/05	Sedumedi A	Water and Sanitation						1					1						
		Marengwa O	Water and Sanitation						1						1					
		Maseko J	Water and Sanitation						1					1						
		Mahapela M	Water and Sanitation						1					1						
		Diratsagae J	Water and Sanitation						1					1						
		Tau Mosiame	Water and Sanitation						1					1						
Induction	2025/06/05	Moatsi K	Water and Sanitation																	
		Jaqlula T	Water and Sanitation																	
RLM		Monareng R	Water and Sanitation																	
		Motshegwa K	Water and Sanitation																	
Mr Bard Mtyotja		Nxumalo S	Water and Sanitation																	
Induction	2025/06/10	Molebatsi I L	HRD								1			1						
		Motene R	IT								1			1						
RLM		Mawila R	Stores	1											1					
		Masenya N	Financial Management	1											1					
Mr Bard Mtyotja		Montwedi K	SCM	1											1					
		Noane R												1	1					
		Mthembu B	Billing	1											1					
		Lekorwe K	Civil Facility						1					1						
		Mathekga R	Billing	1											1					
		Lesomo K	Insurance	1										1						
		Thichelimbilu S	Revenue	1											1					
		Sekgwake M	Revenue	1											1					
		Njoro L	Billing	1										1						
		Maloka K	Roads and Stormwaters							1				1						

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES									African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F
		Mayekiso H	IT								1			1					
		Tlhapi J D	Admin Support					1							1				
Induction	2025/06/12 -13	Motshabi J	Traffic services			1									1				
		Mojela M	Traffic services			1										1			
RLM		Naane O	Fire department			1									1				
		Sithole RT	Traffic services			1										1			
Mr Bard Mtyotja		Kesenyane M	Traffic services			1										1			
		Moswete B	Licensing & Testing			1									1				
		Moloi MM	Traffic services			1										1			
		Molokomme RS	Traffic services			1										1			
		Seemise B S	Traffic services			1											1		
		Motitsoe S W	Traffic services			1										1			
		Weyi M	Law Enforcement			1											1		
		Marikose N	Traffic services			1											1		
		Mphahlele K	Traffic services			1											1		
Induction	2025/06/12 -13	Khumalo K	Fire department			1									1				
		Mantsha T	Fire department			1										1			
RLM		Mokwena M	Fire department			1										1			
		Mguga Y	Fire department			1										1			
Mr Bard Mtyotja		Phindiwe M	Fire department			1										1			
		Tsatsane B	Fire department			1										1			
		Mathope R	Fire department			1										1			
		Tshukudu K B	Fire department			1										1			
		Zwane S	Fire department			1										1			
		Modiba E	Fire department			1										1			

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian	White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M	F
Conflict Management	2025/06/26 -30	Motheelane V	Revenue Management	1												1			
		Moetapele K	Revenue Management	1												1			
Orbit TVET College		Mmeti O	Revenue Management	1													1		
		Tando A	Revenue Management	1												1			
		Booyzen P	Revenue Management	1												1			
		Mohale F	Revenue Management						1								1		
		Lesomo K	Revenue Management	1												1			
		Kolomate T	Licensing & Testing				1												
		Konopi J	Licensing & Testing				1									1			
		Nkele S	Licensing & Testing				1										1		
		Mojela MMB	Traffic Services				1										1		
		Moremi EP	Traffic Services				1										1		
		Sithole RT	Traffic Services				1										1		
		Tsopodi BC	Traffic Services				1										1		
		Maphahlele KV	Traffic Services				1										1		
		Modise MTM	Traffic Services				1										1		
Emotional Intelligence	2025/06/26 -30	Setshogoe B	Disaster Management				1										1		
		Nong A	Licensing & Testing				1										1		
Orbit TVET College		Dube D	Traffic Services				1										1		
		Mokotedi L	Revenue Management	1													1		
		Jugmohan T	Financial Planning	1														1	
		Nkoana J	Waste Management				1									1			
		Bassardien C	Community Halls				1											1	
		Paadi O	Internal Audit							1						1			
		Pambani L	Internal Audit								1					1			
Emotional Intelligence	2025/06/26 -30	Nosenga D	Risk Management								1		1						

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian	White
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F	M	F	M
Orbit TVET College		More M	Emergency & Disaster				1									1		
		Griff K	Legal Advisor									1			1			
		Sefike L	Environmental Management						1							1		
Basic Electricity	2025/06/26 -30	Mesesa A	Electrical Engineering						1						1			
Orbit TVET College		Rakoto JD	Electrical Engineering						1							1		
		Morobane NJ	Electrical Engineering						1							1		
		Khunou R	Electrical Engineering						1							1		
		Mokgoro L	Electrical Engineering						1							1		
		Setshotlho BP	Electrical Engineering						1							1		
		Seilane P	Electrical Engineering						1							1		
		Modilane T	Electrical Engineering						1							1		
		Mokantla S	Electrical Engineering						1							1		
		Mojelo T	Electrical Engineering						1							1		
		Kale D	Electrical Engineering						1							1		
		Lekala LP	Electrical Engineering						1							1		
		Moagi M	Electrical Engineering						1							1		
Basic Plumbing	2025/06/26 -30	Pine BK	Sports Facilities					1								1		
		Lekwane T	Electrical Engineering						1							1		
		Jansen GE	Swimming Pools						1							1		
		Kgosiemang L	Swimming Pools						1							1		
		Seilane M	Electrical Engineering						1							1		
		Matlapeng EB	Civil Facilities						1							1		
Orbit TVET College		Pile NK	Civil Facilities						1							1		
		Ndlovu C	Civil Facilities						1							1		
		Milazi N	Civil Facilities						1							1		
		Chirwa LP	Civil Facilities						1							1		

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White	
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F		
		Itumeleng WI	Sanitation Services						1						1					
		Makhado MD	Sanitation Services						1						1					
		Mashiane S	Sanitation Services						1							1				
		Gaven SN	Sanitation Services						1							1				
		Sekale O	Sanitation Services						1							1				
		Moshoeunyan e P	Sanitation Services						1							1				
		Masilo G	Sanitation Services						1							1				
		Mafoko KC	Sanitation Services						1							1				
Basic Plumbing		Modise KP	Sanitation Services						1							1				
		Mabe L	Sanitation Services						1							1				
Orbit TVET College		Mataboge O	Sanitation Services						1							1				
		Moleofi T	Sanitation Services						1							1				
		Letsoalo T	Sanitation Services						1							1				
		Lebelwane WG	Sanitation Services						1							1				
		Mafora EK	Sanitation Services						1							1				
Confined Spaces	2025/06/26 -30	Ngwenya S	Sanitation Services						1							1				
		Mogale P	Sanitation Services						1							1				
Orbit TVET College		Mataboge OJ	Emergency & Disaster					1								1				
		Moagi DL	Emergency & Disaster					1								1				
		Rakoma M	Emergency & Disaster					1								1				
		Mokwena M	Emergency & Disaster					1								1				
		Motlokwa HM	Emergency & Disaster					1								1				
		Tabana SML	Emergency & Disaster					1								1				
		Mathope R	Emergency & Disaster					1								1				
		Matole P	Emergency & Disaster					1								1				
		Mantsha T	Emergency & Disaster					1								1				

4.5 COURSE ATTENDANCE – 01 July 2024 To 30 June 2025

COURSE ATTENDED	DATE	NAME	DIVISION	DIRECTORATES										African		Colour ed	Asian		White		
				BT O	LE D	PH S	P S	CD	TIS	RR T	DC S	M M	EX C	M	F		M	F	M	F	
Working at heights	2025/06/26 -30	Kole M	Civil Facilities						1							1					
		Fakude A	Civil Facilities							1							1				
Orbit TVET College		Ndlovu T	Community Halls						1								1				
		Ngweu-Ndlovu A	Community Halls						1								1				
		Tsure S	Community Halls						1								1				
		Marengwa O	Water Services							1							1				
		Mothibe P	Water Services							1							1				
		Kompe O	Water Services							1							1				
		Setlale E	Water Services							1							1				
		Nkosi S	Electrical Engineering							1							1				
		Radebe K	Electrical Engineering							1							1				
		Matlala D	Electrical Engineering							1							1				
		Maema HL	Electrical Engineering							1							1				
		Kgatla MR	Electrical Engineering							1							1				
		Boshego SM	Electrical Engineering							1							1				
		Gumede PL	Electrical Engineering							1							1				
		Raphadu MC	Electrical Engineering							1							1				
				45	7	26	5	10	16	5	13	20	22	5	26	18	4	5	2	3	2
																			2	2	

Total Number Trained: 465

## COMPONENT C: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

### 4.1 EMPLOYEE EXPENDITURE

#### INTRODUCTION

The finalisation of the organisational review process will assist the municipality in identifying critical skills and competencies required for effective service delivery. The implementation of the organisational review results (organisational restructuring) will affect the workforce expenditure trends, which should be provided for in the operating budget in the medium term.

The most important asset of the municipality is the workforce, i.e., employees who are directly or indirectly responsible for service delivery. The acquisition, maintenance and management of employees have a direct correlation with the cost and quality of service delivery in the municipality.

In determining the municipality's actual workforce capacity, an attempt is made to ensure that talented people with the right competencies and skills are correctly placed. The table below, therefore, presents the trend of total personnel expenditure over the past five years:

Number of Employees whose Salaries were increased:

Table 4.9 Salary Increases

Number of Employees whose Salaries were increased due to the Upgrading of their positions				
No	Beneficiaries	Male	Female	Total No.
1	Lower skilled	0	0	0
2	Semi-skilled	0	0	0
3	Skilled	0	0	0
4	Middle management	0	0	0
5	Senior Management	0	0	0
6	Municipal Manager & Section 56 Managers	0	0	0

#### COMPONENT C: HEALTH

##### OCCUPATIONAL HEALTH AND SAFETY

In terms of the Occupational Health and Safety Act, 85 of 1993, employers are required to take all reasonable measures to ensure that the requirements of the Act are complied with. This includes the provision of training, inspections and risk assessments to their employees to ensure their health and safety and those of visitors. Below are the services that were provided regarding occupational health and safety during the 2024/2025 financial year:

Table 3.38 Number of Services Provided

No	Service Provided	No: Cases/Programmes	Total
1.	Employee Wellness Management Program	Employee Assistance Interventions: 34 cases	34 Cases
	Employees Wellness Days (4X Annual)	Total Number of employees who attended wellness days (2316)	4 (sessions)
2.	Number of employees who attended Wellness Information	Wellness Information Sharing Sessions; -	12

No	Service Provided	No: Cases/Programmes	Total
	Sharing Sessions and Wellness Days.	Wellness Educational Programmes Sessions conducted. (Chronic illnesses session): 382 Wellness Information Sharing Sessions conducted (Financial Literacy sessions):399 Policy Awareness sessions conducted: (124 Employees attended )	12 12
3.	OHS inspections conducted	Inspections conducted:	36
4.	Risk Assessments conducted within directorates	Risk Assessments conducted:	08
5.	OHS Information Sharing Sessions	OHS Information Sharing Sessions:	12
6.	Injury on duty cases received and processed (COIDA)	COIDA received and processed cases :	241

## EXECUTIVE AND COUNCIL

This component includes the executive offices (Office of the Speaker, Office of the Executive Mayor, Office of the Single Whip, Office of MPAC and Municipal Manager).

### INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7, section 151 (2) of the Constitution of the Republic of South Africa, of 1996, the executive and legislative authority is vested in its municipal council.

The municipal council of the Rustenburg Local Municipality is established as a municipality with a mayoral executive system which is combined with a ward participatory system in terms of Chapter 12 of the Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government, and the powers and functions of municipalities are determined in section 156 of the Constitution.

**Table 3.38 Council Meetings**

DETAIL	2024/2025	
	Ordinary Meetings	Special Meetings
Council	4	11

### Council Committees

The Municipal Council established the following committees in terms of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) for the effective and efficient performance of the Municipal Council's powers and functions:

**Table 3.39 Council Committees**

Section 79 and other Committees	Section 80 Committees
Municipal Planning Tribunal	Budget and Treasury Office;
Municipal Public Accounts Committee	Community Development;
Rules of Order Committee;	Corporate Support Services;
IDP/Budget Steering Committee	Planning and Human Settlements
Local Labour Forum	IDP/PMS, Legal and Valuations;

Section 79 and other Committees	Section 80 Committees
Performance Audit Committee	Intergovernmental Relations and Traditional Affairs;
Risk Management Committee	Local Economic Development;
	Roads and Transport;
	Public Safety;
	Technical and Infrastructure Services

## **HUMAN RESOURCE SERVICES**

### **INTRODUCTION TO HUMAN RESOURCE SERVICES**

The directorate provides human capital strategies, advisory and support services to the municipality. It is composed of the following sections for it to be effective:

- Recruitment and Selection
- Employee Relations
- Training and Development

#### **Employment Statistics:**

Employees appointed from 01/07/2023-30/06/2024 through the normal recruitment process.

Fixed Term Employee = 4

Permanent Employee = 3

Promotions = 14

#### **Performance:**

There were no performance bonuses paid as there were no Senior Managers who achieved the minimum performance score of 130%.

#### **Leave days:**

Annual leave total from 01/07/2024 – 30/06/2025: The leave register indicates that a total number of 42 080 working days were taken by municipal employees.

Annual Leave = 25 767

Sick Leave = 8 888

Maternity Leave = 1519

Study Leave = 875

Family responsibility = 742

Long Service = 3 450

Special leave = 116

Unpaid leave = 209

Injury-on-duty = 514

#### **Workplace Skills Plan**

A memo was written to the Municipal Manager requesting that programmes be advertised on a Seven Day quotation. After the approval by the Municipal Manager, 13 programmes were advertised and only six programme were awarded and seven were re-advertised because providers were not complaint.

The Municipal Manager, Director Corporate Support Services, Manager: Training and Development and the Skills Development Officer attended a Meeting at Orbit TVET College to discuss the drafting of the Memorandum of Understanding (MOU) between the two institutions. The MoU was signed and six programmes were implemented through ORBIT TVET College.

The actual annual budget for training of personnel is R 3 060 386.00.00. Expenditure by the end of the financial year was R 1 940 811.00.00.

**Table 3.44 Statistical Information**

No	Detail	Total Number
		2023/2024
1	Disciplinary cases: Handled	8
	Disciplinary cases: Finalized	0
	Disciplinary cases: Outstanding	8
2	Suspensions	5
3	Dismissals	1
4	Grievances: Handled	
	Grievances: Finalized	
	Grievances: Outstanding	

#### **COMMENTS ON THE OVERALL PERFORMANCE OF HUMAN RESOURCES**

Council managed to appoint 74 new employees during 2024/25 financial Year.

##### Statistical Information

No	Detail	Total Number
		2023/2024
1	Disciplinary cases: Handled	8
	Disciplinary cases: Finalized	0
	Disciplinary cases: Outstanding	8
2	Suspensions	5
3	Dismissals	1
4	Grievances: Handled	
	Grievances: Finalized	
	Grievances: Outstanding	

#### **COMMENTS ON THE OVERALL PERFORMANCE OF HUMAN RESOURCES**

Council managed to appoint 74 new employees during 2024/25 financial Year.

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## CHAPTER FIVE: FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE (RLM)

Sound financial management practices are essential to the long-term sustainability of municipalities. They underpin the process of democratic accountability. Weak or opaque financial management practices and reports result in misdirected and under-utilization of resources. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernize municipal financial management. Effective municipal financial management has interrelated components:

- planning and budgeting
- asset and liability management
- revenue and expenditure management
- supply chain management
- other financial management
- accounting and reporting, and
- oversight & operational continuity

Each of these components contribute to ensuring that government financial expenditure is developmental, effective and efficient and that municipalities / municipal entities are held accountable for the effective management of their funds.

The aim of this chapter is to provide an overview of the financial performance of the municipality thorough measuring of results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are brought in line with IDP and functional area activities and outputs.

Total Revenue (including Gains and Fair Value Adjustments) increased by R440 228 000 to R6 691 714 000 in 2024/25 compared to 2023/24 financial year. The expenditure for 2024/25 has increased by R745 317 000 to R6 558 875 000 compared to the actual of 2023/24 and this is mainly as a result of additional impairment provided for outstanding debtors in line with GRAP 104. The net operations resulted into a surplus of R132 839 000 for the controlling entity in 2024/25.

**Table 5.1 Financial Performance**

<b>Description</b>	<b>Controlling entity</b>	
	<b>2025</b> <b>R'000</b>	<b>2024 Restated</b> <b>R'000</b>
Total revenue	6 691 714	6 251 486
Total expenditure	(6 558 875)	(5 846 105)
Surplus (deficit) for the year	132 839	405 381

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## Overall Operating Results

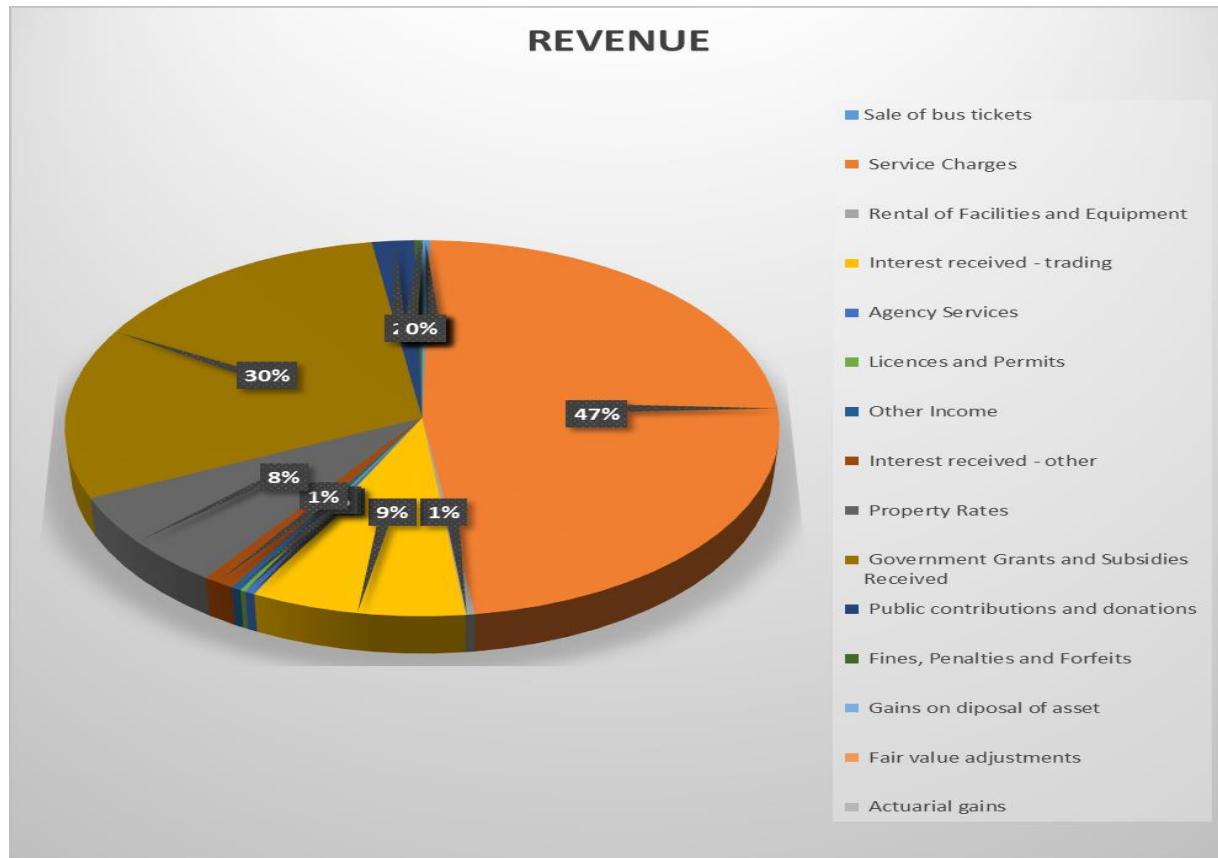
### Operating Revenue

The following graph gives a breakdown of the largest categories of revenue

**Table 5.2.1 Breakdown of the Largest Categories of Revenue Economic entity**

Revenue	2025	2024
	R'000	R'000
<b>Revenue from exchange transactions</b>		
Sale of bus tickets	25 439	11 342
Service Charges	3 231 936	2 949 242
Rental of Facilities and Equipment	27 169	11 720
Interest Received from Trading Activities	629 116	673 321
Agency Services	29 521	17 713
Licences and Permits	16 493	14 463
Other Income	29 064	20 740
Interest Received (Other)	91 817	89 759
Property Rates	566 329	520 589
Government Grants & Subsidies	2 011 885	1 964 528
Public contributions and donations	137 307	69 424
Fines, Penalties and Forfeits	25 231	15 927
Gains on disposal of asset	-	23
Fair Value Adjustments	-	-
Actuarial profit / Loss	-	5 763
<b>Grand Total Revenue</b>	<b>6 821 307</b>	<b>6 364 572</b>

**Figure 5.1.1 Revenue**



**Table 5.2.2 Breakdown of the Largest Categories of Revenue Controlling entity**

Revenue	2025	2024
	R'000	R'000
<b>Revenue from exchange transactions</b>		
Sale of bus tickets	25 439	11 342
Service Charges	3 143 070	2 872 000
Rental of Facilities and Equipment	27 169	11 720
Interest Received from Trading Activities	629 116	673 321
Agency Services	29 521	17 731
Licences and Permits	16 493	14 463
Other Income	29 064	20 740
Interest Received (Other)	51 090	53 938
Property Rates	566 329	520 589
Government Grants & Subsidies	2 011 885	1 964 528

Revenue	2025	2024
Public contributions and donations	137 307	69 424
Fines, Penalties and Forfeits	25 231	15 927
Fair Value Adjustments	-	-
Actuarial profit / Loss	-	5 763
<b>Grand Total Revenue</b>	<b>6 691 714</b>	<b>6 251 486</b>

**Figure 5.2 Revenue**

**ASSESSMENT BY THE ACCOUNTING OFFICER OF THE MUNICIPALITY'S PERFORMANCE FOR REVENUE COLLECTION PER REVENUE SOURCE FOR THE CONTROLLING ENTITY**

REVENUE SOURCE	30/06/2025	30/06/2024	30/06/2023
Sale of bus tickets	25 439	11 342	4 166
Service Charges	3 143 070	2 872 000	4 277 139
Rental of Facilities and Equipment	27 169	11 720	9 596
Interest received - trading	629 116	673 321	481 957
Agency Services	29 521	17 731	18 100
Licences and Permits	16 493	14 463	6 707
Other Income	29 064	20 740	20 838
Interest received - other	51 090	53 938	35 886
Property Rates	566 329	520 589	492 850
Government Grants and Subsidies Received	2 011 885	1 964 528	1 596 572
Public contributions and donations	137 307	69 424	154 247
Fines, Penalties and Forfeits	25 231	15 927	19 312
Gains on disposal of asset	-	-	-
Fair value adjustments	-	-	-
Actuarial gains	-	5 763	35 957
<b>TOTAL REVENUE (INCLUDING GAINS &amp; FAIR VALUE ADJUSTMENT)</b>	<b>6 691 714</b>	<b>6 251 486</b>	<b>7 149 161</b>
<b>REVENUE COLLECTION</b>	<b>5 188 726</b>	<b>5 033 423</b>	<b>5 911 152</b>
<b>PERFORMANCE FOR REVENUE COLLECTION PER SOURCE</b>	<b>78%</b>	<b>81%</b>	<b>83%</b>

The municipality's performance for revenue collection is 78%, which has decreased from the previous financial year by only 3%, it is far below the benchmark of 95% by 17%. The municipality will continue to intensify credit control measures with the objective of improving long term sustainability.

REVENUE PER VOTE	30 June 2025
Vote 1 - EXECUTIVE MAYOR	13 431
Vote 2 - MUNICIPAL MANAGER	220 746
Vote 3 - CORPORATE SUPPORT SERVICES	17 680
Vote 4 - BUDGET AND TREASURY	1 144 837
Vote 5 - PUBLIC SAFETY	84 676
Vote 6 - PLANNING AND HUMAN SETTLEMENT	29 732
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	13 431
Vote 8 - COMMUNITY DEVELOPMENT	104 195
Vote 9 - TECHNICAL AND INFRASTRUCTURE	4 667 139
Vote 10 -ROADS AND TRANSPORT	525 439
<b>TOTAL REVENUE (INCLUDING GAINS AND FAIR VALUE ADJUSTMENTS)</b>	<b>6 821 307</b>

**ASSESSMENT BY THE ACCOUNTING OFFICER OF ANY ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES FOR THE ECONOMIC ENTITY.**

	30 June 2025	30 June 2024	30 June 2023
	R'000	R'000	R'000
<b>Gross balances</b>			
Consumer debtors - Rates	810 367	639 425	567 316
Consumer debtors - Electricity	784 676	625 500	539 015
Consumer debtors - Water	2 024 715	1 729 598	1 520 841
Consumer debtors - Sewerage	619 567	488 005	399 379
Consumer debtors - Refuse	679 088	563 790	477 774
Consumer debtors - Other	4 227 637	3 576 560	2 861 796
	<b>9 146 050</b>	<b>7 622 878</b>	<b>6 366 121</b>
<b>Less: Impairment of debtors</b>			
Consumer debtors - Rates	- 772 399	- 615 937	- 546 859
Consumer debtors - Electricity	- 641 259	- 560 834	- 483 534
Consumer debtors - Water	- 1 961 306	- 1 692 167	- 1 488 943
Consumer debtors - Sewerage	- 607 631	- 485 070	- 392 263
Consumer debtors - Refuse	- 669 049	- 557 218	- 471 721
Consumer debtors - Other	- 4 204 510	- 3 553 518	- 2 827 206
	<b>- 8 856 154</b>	<b>- 7 464 744</b>	<b>- 6 210 526</b>
<b>Net balances</b>			
Consumer debtors - Rates	37 968	23 488	20 457
Consumer debtors - Electricity	143 417	64 666	55 481
Consumer debtors - Water	63 409	37 431	31 898
Consumer debtors - Sewerage	11 936	2 935	7 116
Consumer debtors - Refuse	10 039	6 572	6 053
Consumer debtors - Other	23 127	23 042	34 590
	<b>289 896</b>	<b>158 134</b>	<b>155 595</b>

Percentage Increase Net balance from Prior Year 83% 2%

**Operating Expenditure**

The graph below gives the break down per main expenditure group

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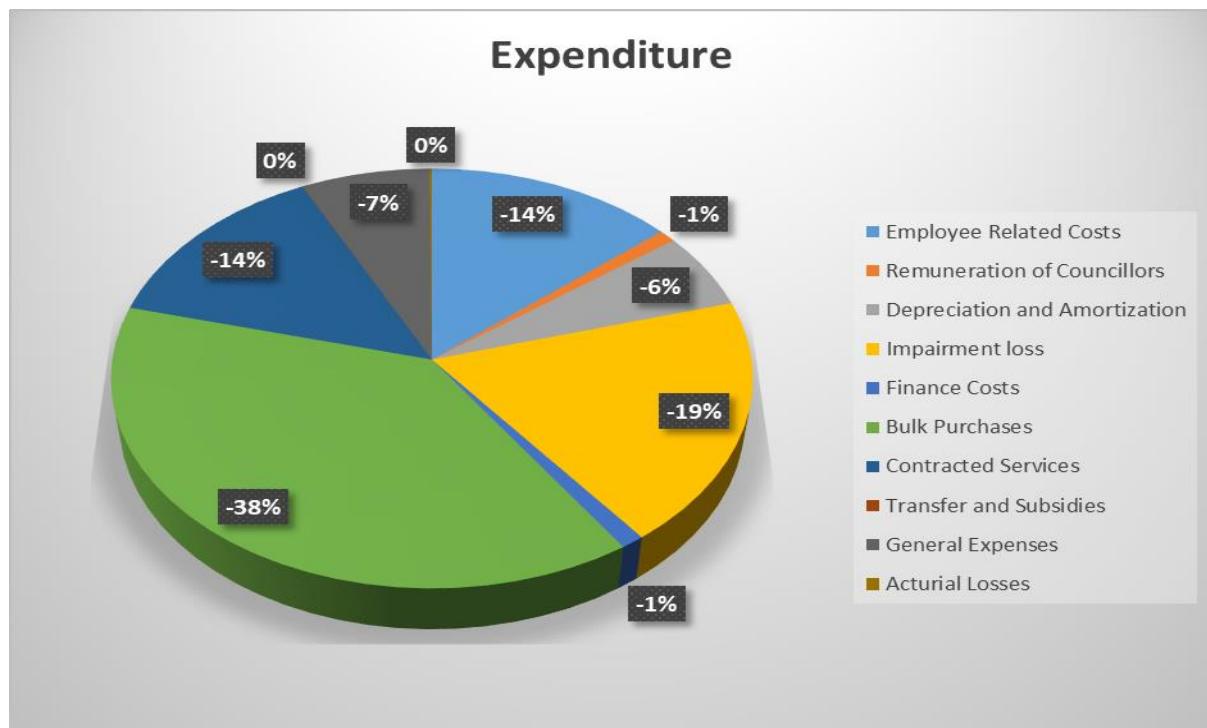
**Table 5.3.1 Breakdown per main expenditure group (Economic Entity)**

Expenditure		2025	2024
		R'000	R'000
Employee Related Costs		-907 794	-858 112
Remuneration of Councillors		-62 890	-65 283
Depreciation and Amortisation		-385 383	-402 055
Impairment loss		-1 259 763	-1 132 094
Finance Costs		-72 337	-79 047
Bulk Purchases		-2 541 917	-2 325 725
Contracted Services		-904 269	-658 409
Transfers and Subsidies		-1 921	-737
General Expenses		-468 046	-397 231
Actuarial Losses		-7 851	-
<b>Total expenditure</b>		<b>-6 612 171</b>	<b>-5 918 693</b>

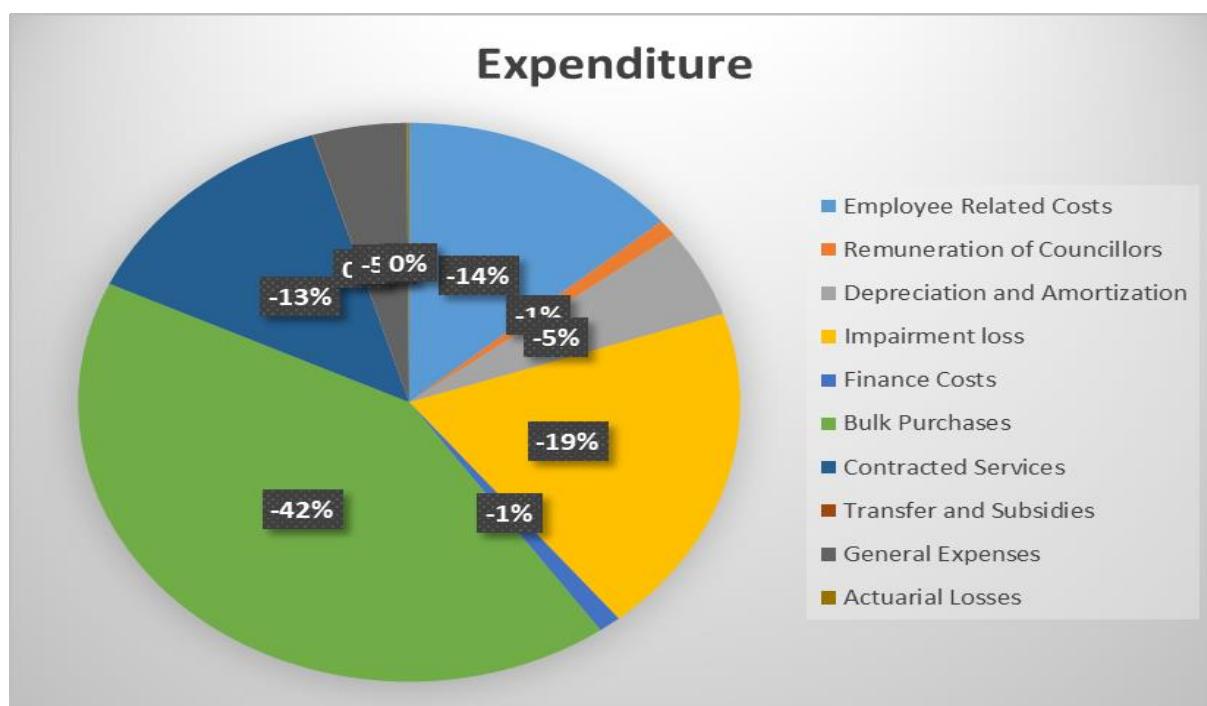
**Table 5.3.2 Breakdown per main expenditure (Controlling Entity)**

Expenditure		2025	2024
		R'000	R'000
Employee Related Costs		-904 770	-855 309
Remuneration of Councillors		-62 890	-65 283
Depreciation and Amortisation		-336 337	-350 207
Impairment loss		-1 259 763	-1 126 508
Finance Costs		-72 337	-79 047
Bulk Purchases		-2 740 198	-2 472 287
Contracted Services		-873 033	-636 027
Transfers and Subsidies		-1 921	-737
General Expenses		-299 755	-260 700
Actuarial Losses		-7 851	-
<b>Total expenditure</b>		<b>-6 558 875</b>	<b>-5 846 105</b>

**Figure 5.3.1 Analysis of financial position of Economic entity as at the 30 June 2025**



**Figure 5.3.2 Analysis of financial position of Controlling entity as at the 30 June 2025**



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**Table 5.4 Asset Management**

	<b>Economic entity</b>	
	<b>2025</b>	<b>2024</b>
Current Assets	1 724 889	1 457 954
Non-Current Assets	10 033 371	9 870 750
<b>Total Assets</b>	<b>11 758 260</b>	<b>11 328 704</b>
Current Liabilities	-2 117 155	-1 916 868
Non-Current Liabilities	-465 598	-445 469
<b>Total Liabilities</b>	<b>-2 582 753</b>	<b>-2 362 337</b>

	<b>Controlling entity</b>	
	<b>2025</b>	<b>2024</b>
Current Assets	1 167 111	919 995
Non-Current Assets	9 049 248	8 859 747
<b>Total Assets</b>	<b>10 216 359</b>	<b>9 779 742</b>
Current Liabilities	-2 264 811	-1 981 166
Non-Current Liabilities	-465 598	-445 469
<b>Total Liabilities</b>	<b>2 730 409</b>	<b>2 426 635</b>

## EMPLOYEE RELATED COSTS

The actual expenditure on remuneration expressed as a percentage of the total expenditure has marginally increased from the previous year. The growth in employee related costs including councilors' remuneration in 2025 and 2024 is at 5.12% and 1.96% respectively for the economic entity.

**Table 5.5 Employee Related Costs**

<b>Description</b>	<b>Economic entity</b>	
	<b>2025</b>	<b>2024</b>
	<b>R'000</b>	<b>R'000</b>
Total revenue (including gains)	<b>6 821 307</b>	<b>6 364 572</b>
Total expenditure (including losses)	<b>(6 612 171)</b>	<b>(5 918 693)</b>
Employee related costs	(907 794)	(858 112)
Remuneration of councilors	(62 890)	(65 283)
<b>Total Employee Related Costs and Councilors Remuneration</b>	<b>(970 684)</b>	<b>(923 395)</b>
Ratio: % of Revenue	14.23	14.51
Ratio: % of Expenditure	14.62	15.62
% growth in remuneration expenses	5.12	1.96

<b>Description</b>	<b>Controlling entity</b>	
	<b>2025</b>	<b>2024</b>
	<b>R'000</b>	<b>R'000</b>
Total revenue (including gains)	<b>6 691 714</b>	<b>6 251 486</b>
Total expenditure (including losses)	<b>(6 558 875)</b>	<b>(5 846 105)</b>
Employee related costs	904 770	855 309
Remuneration of councilors	62 890	65 283
<b>Total Employee Related Costs and Councilors Remuneration</b>	<b>967 660</b>	<b>920 592</b>
Ratio: % of Revenue	14.46	14.73
Ratio: % of Expenditure	14.75	15.75
% growth in remuneration expenses	5.11	2.19

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## KEY FINANCIAL RATIOS EMPLOYEE RELATED COSTS

The following is the key financial ratios.

**Table 5.6. 1 Financial ratios – Economic entity**

	2025	2024
Current ratio	0.81	0.76
Solvency Ratio	4.29	4.56
Debt (Total borrowings)/Total Operating Revenue	3%	4%
Total Long-Term debt to total revenue (excluding grants)	4%	5%
Capital cost (Interest paid and redemption) as a % of Total Operating Expenditure	1%	1%
Cash / Cost coverage ratio (Excluding unspent conditional grants)	2 Month	2 Month
Contracted Services % of Total Operating Expenditure	14%	11%
Capital expenditure to Total Operating Expenditure	6%	6%
Net Operating Surplus / (Deficit) Margin	3%	7%
Cash and cash equivalent at the end of the year	1 170 852	1 056 518

**Table 5.6.2 Financial ratios – Controlling entity**

	2025	2024
Current ratio	0.52	0.46
Solvency Ratio	3.68	4.01
Debt (Total borrowings)/Total Operating Revenue	6%	4%
Total Long-Term debt to total revenue (excluding grants)	4%	6%
Capital cost (Interest paid and redemption) as a % of Total Operating Expenditure	1%	1%
Cash / Cost coverage ratio (Excluding unspent conditional grants)	1 Month	1 Month
Contracted Services % of Total Operating Expenditure	13%	11%
Capital expenditure to Total Operating Expenditure	6%	6%
Net Operating Surplus / (Deficit) Margin	2%	6%
Cash and cash equivalent at the end of the year	642 031	539 441

## **SUPPLY CHAIN MANAGEMENT**

Rustenburg Local Municipality established a supply chain management (SCM) Unit under the direct supervision of a unit manager who has been delegated in terms of section 82 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) by the Chief Financial Officer (CFO). The SCM Unit was established in accordance with the requirements of the Municipal Supply Chain Management Regulations, 2005.

The Municipality's SCM Policy, which incorporates the Preferential Procurement Regulations, as well as all other relevant legislation, regulations and circulars, was updated and approved per item no. 92 dated 31st May 2022 by the Municipal Council. It makes provision for a committee system for competitive bids consisting of the following:

- 5 Bid Specification Committee.
- 6 Bid Evaluation Committee; and
- 7 Bid Adjudication Committee.

### **Bid Committee Meetings**

The following table details the number of meetings held for the **2024/2025** financial year:

**Table 5.7 Bid Committee Meetings**

<b>Bid Specification Committee</b>	<b>Bid Evaluation Committee</b>	<b>Bid Adjudication Committee</b>
33	77	40

## **DEVIATIONS FROM NORMAL PROCUREMENT PROCESSES**

**Table 5.8 Deviations**

<b>Description</b>	<b>2024/25</b>
Deviations approved by Accounting Officer in terms of section 12.22 of SCM policy	24

Deviations from the normal procurement processes have been monitored to mitigate the risk of abuse associated with such appointments. Monthly deviations reports are presented to Council on a monthly basis in accordance with the SCM policy and Regulations.

## **DISPOSAL MANAGEMENT**

No disposables were carried out in the **2024/25** financial year.

## **BIDS AWARDED**

**Table 5.9 Bids Awarded**

<b>Description</b>	<b>2024/2025</b>
Number of bids awarded	31
The total value of bids awarded	R211 541 838.95

	and other bids were awarded on rates per unit price.
Number of bids awarded for capital projects	6
The total value of bids awarded for capital projects	R168 865 224.93
Number of bids awarded for operational projects	25
Total value of bids awarded for operation projects	R42 676 614.02 and other bids were awarded on rates per unit price.
Number of bids awarded locally	24
Value of bids awarded locally	R167 728 721.33
Number of bids awarded locally for capital projects	5
Value of bids awarded locally for capital projects	R160 874 405.53
Number of bids awarded locally on Operational projects	16
Value of bids awarded locally on Operation projects	R6 854 315.80 Other bids were appointed on rates.

## QUOTATIONS AWARDED

**Table 5.10 Quotations Awarded**

Description	2024/2025
Number of quotations awarded	74
The total value of quotation awarded	R12 858 320.97
Number of Quotations awarded locally	70
Value of Quotations awarded locally	R12 342 352.79

## INVENTORY MANAGEMENT

The stock balance after the annual stock count reflects Consumable stores at an amount of R16 445 000.00 and water at an amount of R779 000.00. The electrical equipment is treated as PPE in line with the Generally Recognized Accounting Practice. Unsold Properties Held for Resale reflects an amount of R28 360 000.00.

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## CHAPTER SIX: AUDITOR GENERAL'S FINDINGS

### Report of the auditor-general to the North West Provincial Legislature and the council on Rustenburg Local Municipality

#### Report on the audit of the consolidated financial statements

##### Qualified opinion

1. I have audited the financial statements of the Rustenburg Local Municipality set out on pages 273 to 395, which comprise the consolidated and separate statement of financial position as at 30 June 2025, consolidated and separate 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 effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Rustenburg Local Municipality as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

##### Basis for qualified opinion

###### Consumer debtors

3. During 2024, the municipality did not appropriately account for consumer debtors amounting to R 7 622 878 000 and R7 602 081 000 as disclosed in note 15 to the consolidated and separate financial statements in accordance with GRAP 104, *Financial instruments*. Differences were identified between the amount reported and the recalculation performed. Consequently, consumer debtors in the consolidated and separate financial statement were overstated by R70 724 199 and revenue from exchange transactions overstated by R59 421 547. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus in the consolidated and separate financial statements. My audit opinion on the financial statements for the period ended 2023-24 was modified accordingly. My opinion on the current year financial statements is also modified because of the effect of this matter on the comparability of the consumer debtors for the current period.

###### Payables from exchange transactions

4. I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions, due to the state of the underlying records and lack of information to support these amounts. Additionally, the municipality did not correctly account for payables from exchange transactions as required by GRAP 104, *Financial instruments* as payables were recognised at incorrect amounts. The payable from exchange transactions was materially misstated due to the cumulative effect of individually immaterial uncorrected misstatements. I was unable to confirm these amounts by alternative means. Consequently, I was unable to determine whether any adjustments to payables from exchange transactions of R1 311 971 000 (2024: R1 142 317 000) and R1 460 889 000 (2024: R1 213 073 000) as disclosed in note 21 to the consolidated and separate financial statements respectively was necessary.

###### Revenue from exchange transactions

5. The municipality did not accurately account for revenue from service charges in accordance with GRAP 9, *Revenue from exchange transactions*. Differences were identified between the billed electricity and refuse removal and the recalculation performed. Consequently, the revenue and receivables from exchange transactions are understated by R285 069 807 (2024:

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R324 811 670) for the consolidated and separate financial statements respectively. There was a resultant impact on the surplus for the period and the accumulated surplus.

6. The municipality did not have adequate systems to estimate the billing of water and electricity, which resulted in a disagreement in the estimated consumption. I was unable to determine the full extent of the misstatement on sale of electricity and water, stated at R2 220 885 000 (R2 220 885 000) and R593 713 000 (R504 847 000) respectively in note 24, and the related consumer debtors on electricity and water, stated at R784 676 000 (R784 676 000) and R2 024 715 000 (R1 996 600 000) in note 15 to the consolidated and separate financial statements respectively, as it was impracticable to do so.
7. In addition, I was unable to obtain sufficient appropriate audit evidence for the sale of electricity and water consumption due to the state of the underlying records and lack of information supporting these amounts. I was unable to confirm this electricity and water consumption by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to consumption, stated at R2 814 598 000 (2024: R2 569 506 000) and R2 725 732 000 (2024: R2 492 264 000) in the consolidated and separate financial statements respectively. Additionally, I was unable to determine whether any adjustment was necessary to water losses stated at R285 665 000 (2024: R287 323 000) and electricity losses R606 566 000 (2024: R481 122 000) in note 55.

#### **Contracted services**

8. The municipality did not appropriately account for its expenditure incurred in the current year in accordance with GRAP 1, *Presentation of financial statements*. The municipality incorrectly classified capital expenditure under contracted services instead of property, plant and equipment as these expenditures related to installation and replacement of water infrastructure. I was unable to determine the full extent of the misclassification misstatement on contracted services of R904 269 000 (2024: R658 409 000) and R873 033 000 (2024: R636 027 000) as disclosed in note 38 to the consolidated and separate financial statements respectively, as it was impracticable to do.

#### **Irregular expenditure**

9. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R105 008 420 (2024: R299 145 479) in contravention of the supply chain management (SCM) requirements which were not included in irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R6 977 495 000 (2024: R6 765 017 000) and R6 442 379 000 (2024: R6 596 788 000) as disclosed in note 54 to the consolidated and separate financial statements respectively were necessary.

#### **Context for opinion**

10. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated and separate financial statements section of my report.
11. 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.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

#### **Material uncertainty relating to going concern**

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

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14. As disclosed in note 50 to the consolidated and separate financial statements, the group's current liabilities exceed current assets. The ability to collect outstanding debtors is low as the allowance for impairment relating to gross debtors is more than 90%. On average the municipality takes longer than the prescribed 30-day period to pay creditors. These conditions, together with other matters as set forth in note 50, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern

#### **Emphasis of matters**

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

#### **Material underspending**

16. As disclosed in the consolidated and separate statement of comparison of budget and actual amounts, the municipality underspent its budget by R 539 790 000. The reason for the under expenditure is mainly due to delays in procurement processes and low electricity consumption.

#### **Unauthorised and fruitless and wasteful expenditure**

17. As disclosed in note 52 to the consolidated and separate financial statements, unauthorised expenditure of R60 025 000 was incurred in the current year and the unauthorised expenditure of R16 462 000 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.

18. As disclosed in note 53 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R75 000 was incurred in the current year and the fruitless and wasteful expenditure of R63 456 000 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.

#### **Material losses**

19. As disclosed in note 15 to the consolidated and separate financial statements, consumer debtors have been significantly impaired. The allowance for impairment amounts to R8 856 154 000 (2024: R7 464 744 000) and R9 117 935 000 (2024: R7 602 081 00) as disclosed in the consolidated and separate financial statements respectively, which represents 97% (2024: 98%) of the total receivables. In addition, as disclosed in note 35 to the consolidated and separate financial statements, debt impairment of R1 230 330 000 (2024: R1 099 634 000) and R1 230 330 000 (2024: R1 099 634 000) was incurred respectively as a result of significant impairment of receivables.

#### **Restatement of corresponding figures**

20. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of errors in the financial statements at, and for the year ended 30 June 2025.

#### **Other matters**

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

#### **Unaudited disclosure notes**

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

#### **Unaudited supplementary schedules**

23. The supplementary information set out on pages 495 to 528 does not form part of the financial statements and is presented as additional information. I have not audited these schedule(s) and, accordingly, I do not express an opinion on it.

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## **Responsibilities of the accounting officer for the consolidated financial statements and separate financial statements**

24. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the GRAP and the requirements of the MFMA and the Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
25. 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**

26. 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.
27. 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 4, forms part of our auditor's report.

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

28. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance areas (KPAs) presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
29. I selected the following KPAs presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected KPAs that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

<b>Key performance area</b>	<b>Page numbers</b>	<b>Purpose</b>
KPA 4: Local economic development and job creation	144	Drive vibrant diversified economic growth and job creation
KPA 5: Basic services and infrastructure development	147	Efficient provision of quality basic services and infrastructure within a well-planned spatial structure

30. I evaluated the reported performance information for the selected KPAs against the criteria developed from the performance management and reporting framework, as defined in the

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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.

31. In performing the audit, my procedures focused on the material indicators relating to water, sanitation, refuse removal, electricity and related infrastructure.
32. 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 and is comparable and understandable
  - there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.
33. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
34. The material findings on the reported performance information for the selected KPAs are as follows:

**KPA 4: Local economic development and job creation**

**Number of SMMEs supported with business development programmes by 30 June 2025**

35. An achievement of 2 075 small, medium and micro enterprises (SMMEs) supported with business development programmes by 30 June 2025 was reported against a target of 1 000 SMMEs supported with business development programmes by 30 June 2025. 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 work opportunities created through public employment programmes by 30 June 2025**

36. An achievement of 1 845 work opportunities created through public employment programmes by 30 June 2025 was reported against a target of 1 000. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.

**KPA 5: Basic services and infrastructure development**

**KPI 25 Percentage appointment and site establishment for AC replacement project for Phatsima & Meriting by 30 June 2025**

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37. An achievement of 2,5% appointment and site establishment for AC replacement project for Phatsima & Meriting by 30 June 2025 was reported against a target of 5% but the audit evidence showed the actual achievement to be 50%. The achievement against the target was better than reported.

### Various indicators

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

Indicator	Target	Reported achievement
KPI 24: Percentage reduction of water losses by 30 June 2025	2,5%	3,32%
KPI 30: Percentage reduction of electricity losses by 30 June 2025	2,5%	0%

### Various indicators

39. Based on the audit evidence, the actual achievements for three indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the targets were not achieved, the underachievement on the targets were more than reported and the achievements against the targets were lower than reported.

Indicator	Target	Reported achievement
KPI 26: Number of formal households with access to water by 30 June 2025	85 302	85 324
KPI 33: Number of households within the licensed area of provision with access to electricity by 30 June 2025	57 066	57 276
KPI 37: Percentage of formal households on the valuation roll with a weekly solid waste removal service by 30 June 2025	97%	97%

### Various indicators

40. I could not determine the accuracy of various reported achievements, as the indicators were not defined and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.

Indicator	Target	Detail
KPI 32: Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025	100%	The method of calculation did not align with the submitted documents and therefore we could not recalculate the reported achievement based on the method as per the technical indicator description.
KPI 34: Percentage completion of Tlhabane AC sewer pipes replacement by 30 June 2025	85%	The method of calculation did not align with the submitted documents and therefore we could not recalculate the reported achievement based on the method as per the technical indicator description.

KPI 39: Kilometres of new municipal roads and stormwater drainage system built by 30 June 2025	3,4km	The method of calculation did not align with the submitted documents and therefore we could not recalculate the reported achievement based on the method as per the technical indicator description.
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### KPI 36: Number of informal settlements with a waste service by 30 June 2025

41. An achievement of 31 informal settlements with a waste service by 30 June 2025 was reported against a target of 30 informal settlements with a waste service by 30 June 2025. However, some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

### Various indicators

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

Indicator	Target	Reported achievement	Reported measures
Percentage appointment and site establishment for AC replacement project for Phatsima & Meriting by 30 June 2025	5%	2,5%	Prioritisation of grand funded projects in the SCM process.  Appointing competent social facilitators to manage conflict between communities and business.
Number of informal settlements with access to water by 30 June 2025	30	29	Pitching of Jojo tanks in the informal settlements to ensure measuring the quantity delivered and areas delivered to.
Percentage acquisition of prepaid smart water meters by 30 June 2025	25%	0%	Finalisation of all requirements to fast-track delivery.
Percentage reduction of electricity losses by 30 June 2025	2.5%	0%	The day-to-day inspections on functionality of meters are conducted and fines issued: for Q4 a total of 1 133 meters were audited and 23 fines issued.  Streetlights and high mast lights are not metered and will be accounted for by calculating the average consumption.  There is a growing concern on illegal connections which must be removed in an operation that will include the South African Police Service, public safety and ward councillors.

			Amnesty is underway and there is no positive feedback as customers are not coming forth.
Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025	100%	91%	Notice for acceleration of implementation was issued and penalties applied. Close monitoring of progress with weekly site meetings embarked on. The contractor to consider additional resources to speed up work on site.

#### Other matter

43. I draw attention to the matter below.

#### Achievement of planned targets

44. 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.

45. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages [92 to 180].

#### KPA 5: Basic service and infrastructure development

Targets achieved: 72%		
Key indicator not achieved	Planned target	Reported achievement
KPI 27: Number of informal settlements with access to water by 30 June 2025	30	29
KPI 29: Percentage acquisition of prepaid smart water meters by 30 June 2025	25%	0%
KPI 30: Percentage reduction of electricity losses by 30 June 2025	2,5%	0%
KPI 32: Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025	100%	91%

#### Material misstatements

46. I identified material misstatements in the annual performance report submitted for auditing.

These material misstatements were in the reported performance information for KPA 4: Local economic development and job creation, and KPA 5: Basic service delivery and infrastructure development of KPAs. Management did not correct all the misstatements, and I reported material findings in this regard.

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## Report on compliance with legislation

47. 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.
48. 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.
49. 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.
50. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Financial statements and annual reports

51. 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 property, plant and equipment, cash flow statement, segment reporting, principal agent arrangement, transfers and subsidies, contingencies and financial instruments identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

### Expenditure management

52. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.
53. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with prescribed procurement and contract management prescripts.
54. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R60 025 000, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on the budget of the road and transport directorate.

### Assets management

55. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

### Consequence management

56. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
57. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

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58. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

### **Governance and oversight**

59. The internal audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to risk management, as required by section 165(2)(b)(iv) of the MFMA.
60. The internal audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to compliance with Dora, as required by section 165(2)(b)(vii) of the MFMA.
61. The audit committee did not review the quarterly reports submitted by the internal auditors on the audits of performance measurement as required by regulation 14(4)(a)(i) on municipal planning and performance management.

### **Procurement and contract management**

62. Some of the contracts were awarded to bidders based on points given for legislative requirement that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) (i) and the Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the appointment of service provider for the repairs and maintenance of roads changing rooms and ablution facilities, appointment of a contractor for the replacement of Tlhabane AC water pipes: Phase 2 and appointment of a contractor for the replacement of Tlhabane sewer pipes – phase 2.
63. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.
64. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. Similar limitation was also reported in the prior year.

### **Revenue management**

65. An adequate management, accounting and information system which accounts for revenue and receipt of revenue was not in place, as required by section 64(2)(e)(i) and (iii) of the MFMA.
66. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

### **Strategic planning and performance management**

67. The performance management system and related controls were inadequate as it did not enable useful and reliable performance management and reporting as required by municipal planning and performance management regulation 7(1).

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

68. 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 financial statements, the auditor's report and those selected performance indicators presented in the annual report that have been specifically reported on in this auditor's report.
69. 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

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included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

70. 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 KPs presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
71. 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**

72. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
73. 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.
74. The accounting officer did not prepare accurate and complete financial statements and performance reporting that were supported by reliable information. This is evidenced by material misstatements identified in the financial statements and reported findings on performance reporting.
75. The accounting officer did not have adequate measures in place to monitor compliance with applicable laws and regulations which resulted in material non-compliances. Moreover, the municipality did not review and monitor compliance with all required SCM transcripts resulting in year-on-year increase on unauthorised, irregular, fruitless and wasteful expenditure.
76. The accounting officer did not adequately review the financial statements and annual performance reports to ensure accurate and complete disclosure of financial and performance reporting supported by reliable and accurate information.
77. The accounting officer did not maintain proper record keeping in a timely manner to ensure that complete and relevant information is accessible and available to support financial and performance reporting.
78. The accounting officer did not adequately monitor the implementation of action plans to address internal control deficiencies.

### **Material irregularities**

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

### **Status of previously reported material irregularities**

**Payment made in excess of the re-measured final account upon termination of first contractor on the Rustenburg Rapid Transport project**

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80. The accounting officer did not diligently review the amounts certified on the payment certificates submitted prior to making payments, resulting in overpayments to the contractor, contrary to section 65(2)(a) of the MFMA. The accounting officer therefore did not take all reasonable steps to ensure that the contractor was only paid for goods and/or services that were actually delivered on this project. This contravention resulted in a surplus amount of R8 101 284,66 paid to the first contractor who was appointed in relation to phases 1A and 1C of the Rustenburg Rapid Transport (RRT) project.

81. The non-compliance is likely to result in a material financial loss for the municipality if the overpayments are not recovered.

82. The accounting officer was notified of this MI on 12 April 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer indicated that National Treasury is in the process of conducting a forensic investigation into the appointment of service providers and sub-contractors for the implementation of the RRT project.

83. National Treasury completed the investigation, and the final investigation report was tabled in council on 28 November 2023. However, upon further assessment of the investigation report it was confirmed that the scope of the investigation did not include this MI.

84. Based on the assessment of the actions by the accounting officer, I concluded that the accounting officer has not taken appropriate action to address the matter.

85. I notified the accounting officer on 3 December 2025 of the following recommendations, which should be implemented by 06 July 2026 with a progress report after three months:

- a) The non-compliance should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of chapter 15 of the MFMA.
- b) Effective and appropriate steps should be taken to actively monitor and support the litigation process by, at a minimum, maintaining engagement with legal representatives and ensuring compliance with court filing requirements.
- c) Implement a system of expenditure control, as required by section 65(2)(a) of the MFMA, for the provision of construction services, to prevent payment for construction work not completed.
- d) Disciplinary or, when appropriate, criminal proceeding should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
- e) If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this should be reported to the South African Police Service, as required by section 32(6)(b) of the MFMA.

86. I will follow up on the implementation of the recommendations at the stipulated due date.

87. I note the commitment made by the accounting officer with regard to the review of the effectiveness of the system expenditure control in relation to expenditure payments. I will

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follow up on the outcome regarding of the effectiveness of the system of expenditure control during the assessment of the recommendations.

### **Payment made in excess of re-measured final account upon termination of second contractor on the RRT project**

88. The accounting officer did not diligently review the amounts certified on the payment certificates submitted to them prior to making payments, resulting in overpayments to the second contractor, contrary to section 65(2)(a) of the MFMA. The accounting officer therefore did not take all reasonable steps to ensure that the contractor was only paid for goods and/or services that were actually delivered on this project. This contravention resulted in a surplus amount of R25 118 381,85 paid to the second contractor who was appointed in relation to phases 1A and 1C of the RRT project.
89. The non-compliance is likely to result in a material financial loss for the municipality if the overpayments are not recovered.
90. The accounting officer was notified on 12 April 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer indicated that the National Treasury is in the process of conducting a forensic investigation into the appointment of service providers and sub-contractors for the implementation of the RRT project.
91. National Treasury completed the investigation, and the final investigation report was tabled in Council on 28 November 2023. On 18 October 2024 the accounting officer provided progress made in addressing the MI. The accounting officer drafted the standard operating procedures, framework and guidelines for utilisation service providers. A fraud and corruption case was registered with the Directorate for Priority Crime Investigation (Hawks). The accounting officer sent a letter to the National Department of Transport on 10 January 2024, for the department to investigate compliance with grant conditions and scheduled payments. The accounting officer requested that National Treasury extends the scope of their investigation into the entire RRT project; however, National Treasury indicated that they were unable to extend the scope of investigation.
92. I considered the representations made with the substantiating documentation provided by the accounting officer and noted the actions taken by the accounting officer to address the MI. I have decided not to pursue the MI further under the MI process as the financial loss suffered has since prescribed and the actions to strengthen the controls over expenditure management and to prevent reoccurrence are being addressed as part of the further action recommended on the MI “payment made in excess of the re-measured final account upon termination of first contractor on the RRT project” (refer to paragraph 85).

### **RRT project not monitored**

93. The municipality did not monitor on a monthly basis the performance of contractors under the RRT contract, contrary to section 116(2)(b) of the MFMA. This included contractual timelines not adhered to and several project delays noted. The inadequate monitoring of contractors also resulted that the desired quality of the infrastructure was not achieved as structural flaws which resulted in even more delays and subsequent deterioration of incomplete construction work.
94. As a result, this has caused harm to the primary mandated function of the municipality in being unable to provide the integrated public transport network services, as was intended with this national priority transport project, to the extended community of Rustenburg for the past seven years (per planned dates for first phases of the project being operational).

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95. The non-compliance of section 116(2)(b) of the MFMA has therefore resulted in substantial harm to the public sector institution and is expected to continue causing harm to the public sector institutions until the completion of the RRT project.

96. The accounting officer was notified of this MI on 12 September 2023 and due to change in accounting officer the notification was re-issued on 6 October 2023. The accounting officer was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer indicated that National Treasury is in the process of conducting a forensic investigation into the appointment of service providers and sub-contractors for the implementation of the RRT project.

97. National Treasury completed the investigation, and the final investigation report was tabled in Council on 28 November 2023. However, upon assessment of the investigation report it was confirmed that the scope of the investigation did not include this MI. The accounting officer has not provided progress and plans on how further harm will be prevented. I concluded that appropriate actions are not being taken to address the MI.

98. I notified the accounting officer on 3 December 2025 of the following recommendations, which should be implemented by 6 July 2026 with a progress report after three months:

- a) The non-compliance with section 116(2)(b) of the MFMA should be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and, enhance control weaknesses and to determine if any official should be held responsible.
- b) Based on the reasons and circumstances, appropriate action should be taken to develop and commence with the implementation of an action plan to ensure monthly monitoring of the performance of the contractor under the contract or agreement, as required by section 116(2)(b) of the MFMA. The plan should include anticipated timeframes and address the following key areas as a minimum:
  - i) Development and implementation of a comprehensive project recovery and monitoring plan including clear timelines for each stage of the project, service provider appointment, construction phases, and completion dates.
  - ii) Development and implementation of standard operating procedures to guide officials on the following, at a minimum:
    - The project management processes and tools to be used for monitoring project progress, tracking deliverables, and identifying delays or risks.
    - Processes to identify, document, and resolve project implementation challenges as they arise.
    - Processes for conducting monthly evaluations of the contractor's performance, supported by evidence-based reporting aligned with contract deliverables.
    - Communication protocols and training of officials on the standard operating procedures.
  - iii) Establishing a project management team responsible for monitoring of the contractors, project oversight, and reporting.
  - iv) Establish processes for quarterly reporting of the project status to council.
- c) Disciplinary proceeding should commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA

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and in the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

- d) If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the Municipal Council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

99. I will follow up on the implementation of the recommendations at the stipulated due date.

100. I note the commitment made by the accounting officer with regards to the proposed revision of the RRT station strategy which will be confirmed in future by National Treasury. I will follow up on the confirmation of the proposed revised strategy during the assessment of the recommendations.

**Other reports**

101. In addition to the investigations relating to material irregularities (MIs), I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

102. The Hawks were investigating various cases of corruption and fraud relating to contracts awarded during the 2017-18 and 2018-19 financial years. Those cases that were concluded were referred to the director of public prosecutions while the remainder of the investigations were still in progress at the date of the report.

103. The Hawks were investigating various cases relating to fraud and procurement irregularities which occurred during 2015-16 and 2017-18. Three of the cases were referred to the director for prosecution and one case was still under investigation.

104. Three matters relating to alleged procurement irregularities were referred to the Hawks for investigation, and the matter was also referred to the director. The forensic investigation done by National Treasury was completed, and the report was presented to the director of public prosecutions for their consideration.

105. An allegation of fraud that occurred in the 2016-17 financial year was referred to the Hawks for investigation. This investigation was concluded and referred to the director for public prosecution.

106. An allegation of fraud committed by officials of the municipality that occurred in 2014 was referred to the Hawks for investigation. The case is finalised whereby one former official was sentenced to jail and two suspects passed away.

*Auditor General*

Rustenburg

12 December 2025



*Auditing to build public confidence*

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## 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 consolidated and separate financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

#### **Consolidated and separate 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
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

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**Communication with those charged with governance**

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

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

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	<p>Section 1 (a), (b) &amp; (d) of the definition: irregular expenditure</p> <p>Section 1 Definition of SDBIP</p> <p>Sections 11(1); 13(2); 14(1); 14(2)(a); 14(2)(b); 15</p> <p>Sections 24(2)(c)(iv); 29(1); 29(2)(b); 32(2)</p> <p>Sections 32(2)(a); 32(2)(a)(i); 32(2)(a)(ii); 32(2)(b)</p> <p>Sections 32(6)(a); 32(7); 53(1)(c)(ii); 54(1)(c)</p> <p>Sections 62(1)(d); 62(1)(f)(i); 62(1)(f)(ii); 62(1)(f)(iii)</p> <p>Sections 63(2)(a); 63(2)(c); 64(2)(b); 64(2)(c); 64(2)(e)</p> <p>Sections 64(2)(f); 64(2)(g); 65(2)(a); 65(2)(b); 65(2)(e)</p> <p>Sections 72(1)(a)(ii); 95(a); 112(l)(iii); 112(1)(j)</p> <p>Sections 116(2)(b); 116(2)(c)(ii); 117; 122(1); 122(2)</p> <p>Sections 126(1)(a); 126(1)(b); 127(2); 127(5)(a)(i)</p> <p>Sections 127(5)(a)(ii); 129(1); 129(3); 133(1)(a)</p> <p>Sections 133(1)(c)(i); 133(1)(c)(ii); 170; 171(4)(a); 171(4)(b)</p>
LG: MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1); 71(2); 72
LG: MFMA: Municipal investment regulations, 2005	Regulations 3(1)(a); 3(3); 6; 7; 12(2); 12(3)
LG: MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4); 6(8)(a); 6(8)(b); 10(1)
LG: MFMA: Municipal Supply Chain Management (SCM) regulations, 2017	<p>Regulations 5; 12(1)(b); 12(1)(c); 12(3); 13(b); 13(c); 13(c)(i)</p> <p>Regulations 16(a); 17(1)(a); 17(1)(b); 17(1)(c); 19(a)</p> <p>Regulations 21(b); 22(1)(b)(i); 22(2); 27(2)(a); 27(2)(e)</p> <p>Regulations 28(1)(a)(i); 28(1)(a)(ii); 29(1) (a) and (b)</p> <p>Regulations 29(5)(a)(ii); 29(5)(b)(ii); 32; 36(1)</p> <p>Regulations 38(1) (c); 38(1)(d)(ii); 38(1)(e); 38(1)(g)(i)</p> <p>Regulations 38(1)(g)(ii); 38(1)(g)(iii)</p> <p>Regulations 43; 44; 46(2)(e); 46(2)(f)</p>
Municipal Systems Act 32 of 2000 (MSA)	<p>Sections 25(1); 26(a); 26(c); 26(i); 26(h);</p> <p>Sections 29(1)(b)(ii); 29(3)(b); 34(a); 34(b);</p> <p>Sections 38(a); 41(1)(a); 41(1)(b); 41(1)(c)(ii); 42; 43(2)</p> <p>Sections 56(a); 57(2)(a); 57(4B); 57(6)(a)</p> <p>Sections 66(1)(a); 66(1)(b); 67(1)(d); 74(1)</p> <p>Sections 93B(a); 93B(b); 93C(a)(iv); 93C(a)(v); 96(b)</p>
LG: MSA: Municipal planning and performance management regulations, 2001	Regulations 2(1)(e); 2(3)(a); 3(3); 3(4)(b); 3(5)(a); 7(1); 8

<b>Legislation</b>	<b>Sections or regulations</b>
	Regulations 9(1)(a); 10(a); 12(1); 15(1)(a)(i); 15(1)(a)(ii)
LG: MSA: Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006	Regulations 2(3)(a); 4(4)(b); 8(1); 8(2); 8(3)
LG: MSA: Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 17(2); 36(1)(a)
LG: MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2); 5(3); 5(6); 8(4)
Annual Division of Revenue Act (Dora)	Sections 11(6)(b); 12(5); 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB Act)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2(1)(a); 2(1)(f)
Preferential Procurement Regulations (PPR), 2017	Regulations 5(1); 5(3); 5(6); 5(7) Regulations 6(1); 6(2); 6(3); 6(5); 6(6); 6(8) Regulations 7(1); 7(2); 7(3); 7(5); 7(6); 7(8) Regulations 8(2); 8(5); 9(1); 10(1); 10(2); 11(1)
Preferential Procurement Regulations (PPR), 2022	Regulations 3(1) Regulations 4(1); 4(2); 4(3); 4(4) Regulations 5(1); 5(2); 5(3); 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	Section 34(1)

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6.2 ANNUAL FINANCIAL STATEMENTS OF THE RUSTENBURG LOCAL MUNICIPALITY



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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### General Information

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<b>Legal form of entity</b>	Municipality (MFMA) : Category B
<b>Nature of business and principal activities</b>	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.
<b>Legislation governing the municipality's operation</b>	Constitution of the Republic of South Africa (Act 108 of 1998) Local Government: Municipal Finance Management Act (Act 56 of 2003) Local Government: Municipal Systems Act (Act 32 of 2000) Local Government: Municipal Structures Act (Act 117 of 1998) Municipal Property Rates Act (Act of 6 2004) Division of Revenue Act (Act 1 of 2007)
<b>Executive Mayor</b>	Mabale-Huma, S S K
<b>Speaker</b>	Pule, L
<b>Single Whip</b>	Makhandla, R
<b>Mayoral Committee Members</b>	Macone, I (MMC: Integrated Development Planning) Mputle, V (MMC: IGR and Special Projects) Marekwa, B (MMC: Public Safety) Rampou, T (MMC: Local Economic Development) Seleka, A (MMC: Community Development) Gaonakala, M (MMC: Corporate Support Services) Pule, S (MMC: Roads and Transport) Phutu, K (MMC: Technical and Infrastructure Services) Lebethe, P (MMC: Planning and Human Settlements) Phalole, M N (MMC: Budget and Treasury)
<b>Capacity</b>	High Capacity
<b>Accounting Officer</b>	Khuduge, A Adv
<b>Chief Finance Officer (CFO)</b>	Ditsele, G
<b>Registered office</b>	Missionary Mpheni House Cnr, Nelson Mandela & Beyers Naude Drives Rustenburg 0299
<b>Postal address</b>	P O Box 16 Rustenburg 0300
<b>Bankers</b>	Standard Bank
<b>Auditors</b>	Auditor-General of South Africa (AGSA)

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Index

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

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Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
SALGA	South African Local Government Association
HDF	Housing Development Fund
IAS	International Accounting Standards
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### **Accounting Officer's Responsibilities and Approval**

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

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

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

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

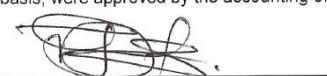
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system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

The accounting officer has reviewed the economic entity's cash flow forecast for the year to 30/06/2026 and, in the light of this review and the current financial position, he is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, they are supported by the economic entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the economic entity's consolidated annual financial statements. The consolidated annual financial statements will be examined by the economic entity's external auditors and their report will be presented.

The consolidated annual financial statements set out on pages 4 to 118, which have been prepared on the going concern basis, were approved by the accounting officer on 26 September 2025.



Mr. Godfrey Ditsele  
Acting Municipal Manager

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Financial Position as at 30/06/2025

Figures in Rand Thousand	Note(s)	Economic entity		Controlling entity		
		2025	2024 Restated*	2025	2024 Restated*	
<b>Assets</b>						
Current Assets						
Inventories	12	45 584	45 689	45 584	45 689	
VAT Receivable	7	180 765	160 198	180 765	160 198	
Finance lease receivables	8	-	-	-	502	
Receivables from exchange transactions	13&15	278 308	161 573	249 351	140 189	
Receivables from non-exchange transactions	14&15	49 380	33 976	49 380	33 976	
Cash and cash equivalents	16	1 170 852	1 056 518	642 031	539 441	
		<b>1 724 889</b>	<b>1 457 954</b>	<b>1 167 111</b>	<b>919 995</b>	
Non-Current Assets						
Investment property	3	86 907	93 919	86 907	93 919	
Property, plant and equipment	4	9 943 918	9 774 383	8 959 794	8 763 379	
Heritage assets	5	1 374	1 374	1 374	1 374	
Investments	6	1 172	1 074	1 173	1 075	
		<b>10 033 371</b>	<b>9 870 750</b>	<b>9 049 248</b>	<b>8 859 747</b>	
<b>Total Assets</b>		<b>11 758 260</b>	<b>11 328 704</b>	<b>10 216 359</b>	<b>9 779 742</b>	
<b>Liabilities</b>						
Current Liabilities						
Other financial liabilities	19	39 385	35 696	39 385	35 696	
Finance lease obligation	17	10 845	-	10 845	-	
Payables from exchange transactions	21	1 311 971	1 142 317	1 460 889	1 213 073	
VAT payable	22	407 796	403 493	406 534	402 546	
Consumer deposits	23	72 404	67 952	72 404	67 952	
Employee benefit obligation	10	20 629	17 286	20 629	17 286	
Unspent conditional grants and receipts	18	59 310	59 797	59 310	59 797	
Provisions	20	194 815	190 327	194 815	184 816	
		<b>2 117 155</b>	<b>1 916 868</b>	<b>2 264 811</b>	<b>1 981 166</b>	
Non-Current Liabilities						
Other financial liabilities	19	161 816	201 201	161 816	201 201	
Finance lease obligation	17	20 660	-	20 660	-	
Employee benefit obligation	10	266 113	232 643	266 113	232 643	
Provisions	20	17 009	11 625	17 009	11 625	
		<b>465 598</b>	<b>445 469</b>	<b>465 598</b>	<b>445 469</b>	
<b>Total Liabilities</b>		<b>2 582 753</b>	<b>2 362 337</b>	<b>2 730 409</b>	<b>2 426 635</b>	
<b>Net Assets</b>		<b>9 175 507</b>	<b>8 966 367</b>	<b>7 485 950</b>	<b>7 353 107</b>	
Accumulated surplus		9 175 507	8 966 367	7 485 950	7 353 107	

\* See Note 47

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Financial Performance

Figures in Rand Thousand	Note(s)	Economic entity		Controlling entity		
		2025	2024 Restated*	2025	2024 Restated*	
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Sale of bus tickets		25 439	11 342	25 439	11 342	
Service charges	24	3 231 936	2 949 242	3 143 070	2 872 000	
Rental of facilities and equipment	25	27 169	11 720	27 169	11 720	
Interest received (trading)		629 116	673 321	629 116	673 321	
Agency services		29 521	17 731	29 521	17 731	
Licences and permits		16 493	14 463	16 493	14 463	
Other income	26	29 064	20 740	29 064	20 740	
Interest received - investment	27	91 817	89 759	51 090	53 938	
<b>Total revenue from exchange transactions</b>		<b>4 080 555</b>	<b>3 788 318</b>	<b>3 950 962</b>	<b>3 675 255</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	28	566 329	520 589	566 329	520 589	
<b>Transfer revenue</b>						
Government grants & subsidies	30	2 011 885	1 964 528	2 011 885	1 964 528	
Public contributions and donations	31	137 307	69 424	137 307	69 424	
Fines, Penalties and Forfeits		25 231	15 927	25 231	15 927	
<b>Total revenue from non-exchange transactions</b>		<b>2 740 752</b>	<b>2 570 468</b>	<b>2 740 752</b>	<b>2 570 468</b>	
<b>Total revenue</b>		<b>6 821 307</b>	<b>6 358 786</b>	<b>6 691 714</b>	<b>6 245 723</b>	
<b>Expenditure</b>						
Employee related costs	32	(907 794)	(858 112)	(904 770)	(855 309)	
Remuneration of councillors	33	(62 890)	(65 283)	(62 890)	(65 283)	
Depreciation and amortisation	34	(385 383)	(402 055)	(336 337)	(350 207)	
Finance costs	36	(72 337)	(79 047)	(72 337)	(79 047)	
Bulk purchases	37	(2 541 917)	(2 325 725)	(2 740 198)	(2 472 287)	
Contracted services	38	(904 269)	(658 409)	(873 033)	(636 027)	
Transfers and Subsidies	29	(1 921)	(737)	(1 921)	(737)	
General Expenses	39	(468 046)	(397 231)	(299 775)	(260 700)	
<b>Total expenditure</b>		<b>(5 344 557)</b>	<b>(4 786 599)</b>	<b>(5 291 261)</b>	<b>(4 719 597)</b>	
<b>Operating surplus</b>						
Gain on disposal of assets and liabilities		-	23	-	-	
Actuarial gains/losses	10	(7 851)	5 763	(7 851)	5 763	
Impairment loss	35	(1 259 763)	(1 132 094)	(1 259 763)	(1 126 508)	
<b>Surplus for the year</b>		<b>209 136</b>	<b>445 879</b>	<b>132 839</b>	<b>405 381</b>	

\* See Note 47

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Changes in Net Assets

Figures in Rand Thousand	Revaluation reserve	Accumulated surplus	Total net assets
<b>Economic entity</b>			
Opening balance as previously reported	262 194	8 292 310	8 554 504
Adjustments	(262 194)	228 187	(34 007)
Correction of errors			
<b>Balance at 01 July 2023 restated*</b>	-	<b>8 520 497</b>	<b>8 520 497</b>
Changes in net assets			
Surplus / (Deficit) for the year - Previously reported	-	(134 331)	(134 331)
Total changes	-	(134 331)	(134 331)
Restated balance before adjustments	-	8 386 166	8 386 166
Adjustments			
Correction of errors	-	580 205	580 205
<b>Balance at 01 July 2024 restated*</b>	-	<b>8 966 371</b>	<b>8 966 371</b>
Changes in net assets			
Surplus / (Deficit) for the year	-	209 136	209 136
Total changes	-	209 136	209 136
<b>Balance as at 30/06/2025</b>	-	<b>9 175 507</b>	<b>9 175 507</b>
Note(s)			
<b>Controlling entity</b>			
Opening balance as previously reported	-	7 505 374	7 505 374
Adjustments			
Correction of errors	-	(557 638)	(557 638)
<b>Balance at 01 July 2023 restated*</b>	-	<b>6 947 736</b>	<b>6 947 736</b>
Changes in net assets			
Surplus / (Deficit) for the year - Previously reported	-	(202 920)	(202 920)
Total changes	-	(202 920)	(202 920)
Restated balance before adjustments	-	6 744 816	6 744 816
Adjustments			
Correction of errors	-	608 295	608 295
<b>Balance at 01 July 2024 restated*</b>	-	<b>7 353 111</b>	<b>7 353 111</b>
Changes in net assets			
Surplus / (Deficit) for the year	-	132 839	132 839
Total changes	-	132 839	132 839
<b>Balance as at 30/06/2025</b>	-	<b>7 485 950</b>	<b>7 485 950</b>

\* See Note 47

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Cash Flow Statement

Figures in Rand Thousand	Note(s)	Economic entity		Controlling entity		
		2025	2024 Restated*	2025	2024 Restated*	
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of goods and services		2 624 236	2 588 750	2 542 875	2 514 297	
Grants		2 011 398	1 987 524	2 011 398	1 987 524	
Interest income		258 075	114 190	217 348	78 369	
Non exchange receipts		415 005	453 233	415 005	453 233	
Taxes received (VAT)		2 100	-	2 100	-	
		5 310 814	5 143 697	5 188 726	5 033 423	
<b>Payments</b>						
Employee costs		(961 026)	(911 187)	(958 001)	(908 384)	
Suppliers		(3 726 214)	(3 543 351)	(3 641 061)	(3 587 449)	
Finance costs		(19 854)	(25 248)	(19 854)	(25 248)	
Transfers and subsidies		(1 921)	(714)	(1 921)	(737)	
		(4 709 015)	(4 480 500)	(4 620 837)	(4 521 818)	
<b>Net cash flows from operating activities</b>	<b>41</b>	<b>601 799</b>	<b>663 197</b>	<b>567 889</b>	<b>511 605</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	4	(424 419)	(342 183)	(402 253)	(327 393)	
Proceeds / Disposal of investments		(98)	(300)	(98)	(300)	
<b>Net cash flows from investing activities</b>		<b>(424 517)</b>	<b>(342 483)</b>	<b>(402 351)</b>	<b>(327 693)</b>	
<b>Cash flows from financing activities</b>						
Repayment of other financial liabilities		(35 696)	(40 001)	(35 696)	(40 001)	
Interest paid		(23 871)	(27 084)	(23 871)	(27 084)	
Finance lease payments		(3 381)	(12 057)	(3 381)	(12 057)	
<b>Net cash flows from financing activities</b>		<b>(62 948)</b>	<b>(79 142)</b>	<b>(62 948)</b>	<b>(79 142)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>114 334</b>	<b>241 572</b>	<b>102 590</b>	<b>104 770</b>	
Cash and cash equivalents at the beginning of the year		1 056 518	814 946	539 441	434 671	
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>1 170 852</b>	<b>1 056 518</b>	<b>642 031</b>	<b>539 441</b>	

\* See Note 47

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand Thousand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Sale of bus tickets	23 460	-	23 460	25 439	1 979	59
Service charges	5 288 680	(960 000)	4 328 680	3 231 936	(1 096 744)	59
Rental of facilities and equipment	14 622	(57)	14 565	27 169	12 604	59
Interest received (trading)	551 272	60 000	611 272	629 116	17 844	59
Agency services	113 426	8 000	121 426	29 521	(91 905)	59
Licences and permits	12 662	-	12 662	16 493	3 831	59
Other income	27 470	200	27 670	29 064	1 394	59
Interest received - investment	41 725	-	41 725	91 817	50 092	59
<b>Total revenue from exchange transactions</b>	<b>6 073 317</b>	<b>(891 857)</b>	<b>5 181 460</b>	<b>4 080 555</b>	<b>(1 100 905)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	590 738	-	590 738	566 329	(24 409)	59
<b>Transfer revenue</b>						
Government grants & subsidies	1 797 187	274 730	2 071 917	2 011 885	(60 032)	59
Public contributions and donations	-	-	-	137 307	137 307	59
Fines, Penalties and Forfeits	10 057	-	10 057	25 231	15 174	59
<b>Total revenue from non-exchange transactions</b>	<b>2 397 982</b>	<b>274 730</b>	<b>2 672 712</b>	<b>2 740 752</b>	<b>68 040</b>	
<b>Total revenue</b>	<b>8 471 299</b>	<b>(617 127)</b>	<b>7 854 172</b>	<b>6 821 307</b>	<b>(1 032 865)</b>	
<b>Expenditure</b>						
Employee Related Costs	(1 005 982)	(15 605)	(1 021 587)	(907 794)	113 793	59
Remuneration of councillors	(74 787)	-	(74 787)	(62 890)	11 897	59
Depreciation and amortisation	(522 778)	-	(522 778)	(385 383)	137 395	59
Impairment loss	(849 157)	-	(849 157)	(1 259 763)	(410 606)	59
Finance costs	(59 917)	-	(59 917)	(72 337)	(12 420)	59
Bulk purchases	(3 621 549)	689 453	(2 932 096)	(2 541 917)	390 179	59
Contracted Services	(1 044 242)	(255 693)	(1 299 935)	(904 269)	395 666	59
Transfers and Subsidies	(24 177)	-	(24 177)	(1 921)	22 256	59
General Expenses	(329 276)	(30 400)	(359 676)	(468 046)	(108 370)	59
<b>Total expenditure</b>	<b>(7 531 865)</b>	<b>387 755</b>	<b>(7 144 110)</b>	<b>(6 604 320)</b>	<b>539 790</b>	
<b>Operating surplus</b>	<b>939 434</b>	<b>(229 372)</b>	<b>710 062</b>	<b>216 987</b>	<b>(493 075)</b>	
Gain on disposal of assets and liabilities	7 184	(4 000)	3 184	-	(3 184)	59
Actuarial gains/losses	-	-	-	(7 851)	(7 851)	59
	7 184	(4 000)	3 184	(7 851)	(11 035)	
<b>Surplus / (Deficit) before taxation</b>	<b>946 618</b>	<b>(233 372)</b>	<b>713 246</b>	<b>209 136</b>	<b>(504 110)</b>	

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	946 618	(233 372)	713 246	209 136	(504 110)	

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	145 030	-	145 030	45 584	(99 446)	59
VAT Receivable	-	-	-	180 765	180 765	59
Finance lease receivables	1 365	-	1 365	-	(1 365)	59
Receivables from exchange transactions	131 619	-	131 619	278 308	146 689	59
Receivables from non-exchange transactions	111 449	-	111 449	49 380	(62 069)	59
Other Current asset	125 653	-	125 653	-	(125 653)	59
Cash and cash equivalents	755 129	(260 062)	495 067	1 170 852	675 785	59
	<b>1 270 245</b>	<b>(260 062)</b>	<b>1 010 183</b>	<b>1 724 889</b>	<b>714 706</b>	
<b>Non-Current Assets</b>						
Investment property	309 125	-	309 125	86 907	(222 218)	59
Property, plant and equipment	10 259 524	-	10 259 524	9 943 918	(315 606)	59
Intangible assets	2 500	-	2 500	-	(2 500)	59
Heritage assets	-	-	-	1 374	1 374	59
Investments	1 200	-	1 200	1 172	(28)	59
Other non-current assets	32	-	32	-	(32)	59
	<b>10 572 381</b>	-	<b>10 572 381</b>	<b>10 033 371</b>	<b>(539 010)</b>	
<b>Total Assets</b>	<b>11 842 626</b>	<b>(260 062)</b>	<b>11 582 564</b>	<b>11 758 260</b>	<b>175 696</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Other financial liabilities	89 346	-	89 346	39 385	(49 961)	59
Finance lease obligation	-	-	-	10 845	10 845	59
Payables from exchange transactions	354 787	-	354 787	1 311 970	957 183	59
VAT payable	-	-	-	407 796	407 796	59
Consumer deposits	60 124	-	60 124	72 404	12 280	59
Employee benefit obligation	-	-	-	20 629	20 629	59
Unspent conditional grants and receipts	-	-	-	59 310	59 310	59
Provisions	13 000	-	13 000	194 815	181 815	59
Trade and other payables from non-exchange transactions	148 365	-	148 365	-	(148 365)	59
	<b>665 622</b>	-	<b>665 622</b>	<b>2 117 154</b>	<b>1 451 532</b>	
<b>Non-Current Liabilities</b>						
Other financial liabilities	300 000	-	300 000	161 816	(138 184)	59
Finance lease obligation	-	-	-	20 660	20 660	59
Employee benefit obligation	-	-	-	266 113	266 113	59
Provisions	150 476	-	150 476	17 009	(133 467)	59
	<b>450 476</b>	-	<b>450 476</b>	<b>465 598</b>	<b>15 122</b>	
<b>Total Liabilities</b>	<b>1 116 098</b>	-	<b>1 116 098</b>	<b>2 582 752</b>	<b>1 466 654</b>	
<b>Net Assets</b>	<b>10 726 528</b>	<b>(260 062)</b>	<b>10 466 466</b>	<b>9 175 508</b>	<b>(1 290 958)</b>	

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>Statement of Changes in Net Assets</b>						
Reserves	304 583	-	304 583	-	(304 583)	59
Accumulated surplus	10 421 945	(260 062)	10 161 883	9 175 508	(986 375)	59
<b>Statement of Changes in Net Assets</b>	<b>10 726 528</b>	<b>(260 062)</b>	<b>10 466 466</b>	<b>9 175 508</b>	<b>(1 290 958)</b>	

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand thousand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of goods and services	5 021 197	(960 000)	4 061 197	2 624 236	(1 436 961)	59
Grants	1 797 187	274 730	2 071 917	2 011 398	(60 519)	59
Interest income	592 997	60 000	652 997	258 075	(394 922)	59
Non exchange receipts	170 039	8 143	178 182	415 005	236 823	59
Taxes received (VAT)	-	-	-	2 100	2 100	59
	7 581 420	(617 127)	6 964 293	5 310 814	(1 653 479)	
<b>Payments</b>						
Suppliers and Employees	(6 598 615)	387 755	(6 210 860)	(4 687 240)	1 523 620	59
Finance costs	(59 917)	-	(59 917)	(19 854)	40 063	59
Transfers and subsidies	(24 177)	-	(24 177)	(1 921)	22 256	59
	(6 682 709)	387 755	(6 294 954)	(4 709 015)	1 585 939	
<b>Net cash flows from operating activities</b>	898 711	(229 372)	669 339	601 799	(67 540)	
Purchase of property, plant and equipment	(641 611)	(14 248)	(655 859)	(424 419)	231 440	59
Proceeds from sale of property, plant and equipment	7 184	(4 000)	3 184	-	(3 184)	59
Movement in non-current investment	(201)	-	(201)	(98)	103	59
<b>Net cash flows from investing activities</b>	(634 628)	(18 248)	(652 876)	(424 517)	228 359	
<b>Cash flows from financing activities</b>						
Repayment of other financial liabilities	(155 384)	30 000	(125 384)	(35 696)	89 688	59
Movement in consumer deposits	2 642	-	2 642	-	(2 642)	59
Finance lease payments	-	-	-	(3 381)	(3 381)	59
Finance costs	-	-	-	(23 871)	(23 871)	59
<b>Net cash flows from financing activities</b>	(152 742)	30 000	(122 742)	(62 948)	59 794	
Net increase/(decrease) in cash and cash equivalents	111 341	(217 620)	(106 279)	114 334	220 613	
Cash and cash equivalents at the beginning of the year	755 237	-	755 237	1 056 518	301 281	
<b>Cash and cash equivalents at the end of the year</b>	866 578	(217 620)	648 958	1 170 852	521 894	

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

## Accounting Policies

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### 1. Presentation of Consolidated Annual Financial Statements

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

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

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 consolidated annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Presentation currency

These consolidated annual financial statements are presented in South African Rand rounded off to the nearest thousand, which is the functional currency of the economic entity.

#### 1.2 Going concern assumption

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

#### 1.3 Consolidation

##### Basis of consolidation

Consolidated annual financial statements are the consolidated annual financial statements of the economic entity presented as those of a single entity.

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

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

The results of controlled entities, are included in the consolidated financial statements from the effective date of acquisition or date when control commences to the effective date of disposal or date when control ceases. The difference between the proceeds from the disposal of the controlled entity and its carrying amount as of the date of disposal is recognised in the consolidated statement of financial performance as the surplus or deficit on the disposal of the controlled entity.

An investment in an entity is accounted for in accordance with the Standards of GRAP on Financial Instruments from the date that it ceases to be a controlled entity, unless it becomes an associate or a jointly controlled entity, in which case it is accounted for as such. The carrying amount of the investment at the date that the entity ceases to be a controlled entity is regarded as the fair value on initial recognition of a financial asset in accordance with the Standards of GRAP on Financial Instruments.

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

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

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

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## Rustenburg Local Municipality

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Non-controlling interests in the net assets of the economic entity are identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets. Losses applicable to the minority in a consolidated controlled entity may exceed the minority interest in the controlled entity's net assets. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make an additional investment to cover the losses. If the controlled entity subsequently reports surpluses, such surpluses are reallocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

Non-controlling interests in the surplus or deficit of the economic entity is separately disclosed.

### 1.4 Significant judgements and sources of estimation uncertainty

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

#### Trade receivables / Held to maturity investments and/or loans and receivables

The economic entity assesses its trade 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 is calculated on an assessment of the extent to which trade receivables have been defaulted on payments already due, and an assessment of their ability to make payments based on the history of payments made for municipal services over the last twelve months. This is performed per significant trade receivables first and then for all classes of trade receivables.

#### Allowance for slow moving, damaged and obsolete stock

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

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions. Provisions are discounted where the effect of discounting is material using actuarial valuations.

#### Useful lives

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation where appropriate. 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 what their conditions will be at that time. It is a subjective estimate based on management's experience.

#### Post employment medical benefits

The cost of post - employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future medical fund contributions increases and mortality rates. Due to the long - term nature of these plans, such estimates are subject to significant uncertainty.

### 1.5 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.

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## Rustenburg Local Municipality

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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 economic entity, 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.

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

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.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Expected useful life range
Property - land	Indefinite
Property - buildings	7 - 80 years

Investment property is derecognised 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.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

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

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- Land held for a currently undetermined future use. (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation).
- A building owned by the entity (or held by the entity under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality) and a building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of investment property and shall be classified as property, plant and equipment, inventory or non-current assets held for sale, as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale.
- Property being constructed or developed on behalf of third parties.
- Property that is being constructed or developed for future use as investment property.
- Property that is leased to another entity under a finance lease.
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income facilities, etc.
- Property held for strategic purposes or service delivery.
- Property being constructed or developed on behalf of third parties.

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- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal.

The nature OR type of properties classified as held for strategic purposes are as follows:

#### 1.6 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 period.

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment whenever it is possible to reliably differentiate between the different components.

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

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

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

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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets and commences when an asset is ready for its intended use.

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

Item	Depreciation method	Expected useful life range
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### Accounting Policies

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Infrastructure Roads and Transport	Straight line	5 - 100
Infrastructure Electricity	Straight line	5 - 50
Infrastructure Water	Straight line	5 - 70
Infrastructure Sewerage	Straight line	5 - 70
Buildings	Straight line	7 - 80
Motor Vehicles	Straight line	5 - 15
Office equipment	Straight line	3 - 10
Specialised vehicles	Straight line	7 - 20
Furniture & fixtures	Straight line	5 - 15
Bins & Containers	Straight line	10
Other	Straight line	7 - 8
Landfill sites	Straight line	20 - 25
Plant and machinery	Straight line	2 - 15
Emergency equipment	Straight line	3 - 12
Land	Straight line	Indefinite
Transport assets - Service concession asset	Straight line	5 - 15
Buildings - Service concession asset	Straight line	5 - 60
Infrastructure electricity - Service concession asset	Straight line	5 - 50
Furniture and fixtures - Service concession asset	Straight line	5 - 15
Infrastructure water - Service concession asset	Straight line	5 - 50
Infrastructure Roads and Transport - Service concession asset	Straight line	5 - 50

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

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

The useful life and residual value of assets are assessed annually to determine the appropriateness of management's initial estimate. If the expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate.

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

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

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

Bulk water assets - Rustenburg Water Services Trust.

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The Trust maintains and acquires assets to provide a social service to the community, as well as to sell water to the surrounding mines. The useful lives and economic useful lives of these assets are equal. After the loan have been paid up, all assets will revert back to the parent municipality.

From the 2025 financial year, PPE is measured at cost less accumulated depreciation and impairment losses. This represents a change in accounting policy from the previous measurement basis of fair value less accumulated depreciation, following the transition from the Revaluation Model to the Cost Model.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. Land is not depreciated as it is considered to have an indefinite useful life.

The cost of an item of PPE includes: the purchase price, net of trade discounts and rebates; directly attributable costs necessary to bring the asset to the location and condition required for it to operate as intended; and initial estimates of the costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost or for a nominal amount in a non-exchange transaction, its cost are measured at its fair value on the acquisition date. Assets are depreciated only once commissioned and available for use. Depreciation is recorded on a straight-line basis to allocate the depreciable amount of each asset to its residual value over its remaining useful life or, where applicable, the remaining lease term. The expected useful lives are as follows:

Building Fixtures	5 - 50 years
Carbon	3 - 3 years
Civil Structures	10 - 90 years
Computer Equipment	3 - 10 years
Electrical Equipment	3 - 45 years
External Facilities	3 - 25 years
Furniture & Fittings	5 - 10 years
Lab Equipment	3 - 5 years
Mechanical Equipment	3 - 30 years
SHEQ	3 - 20 years
Tools & Equipment	3 - 10 years
Vehicles	5 - 15 years
Land	Indefinite

All assets are reviewed annually for indications of impairment. When such indications exist, the Trust estimates the asset's recoverable service amount, being the higher of its fair value less costs to sell and its value in use. Where an asset's carrying amount exceeds its recoverable service amount, an impairment loss is recognised in surplus or deficit for the period.

#### 1.7 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

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### Accounting Policies

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

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

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

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

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Item	Depreciation method	Expected useful life range
Computer software, other	Straight line	2 - 3 Years

Intangible assets are derecognised:

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

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

#### 1.8 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. Heritage assets have an indefinite useful life and are not depreciated.

##### Recognition

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

##### Initial measurement

Heritage assets are measured at cost.

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

##### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

##### Impairment

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

##### Derecognition

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

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

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Consolidated Annual Financial Statements for the year ended 30/06/2025

### Accounting Policies

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#### 1.9 Investments

##### Controlling entity consolidated annual financial statements

In the municipality's separate consolidated annual financial statements, investments are carried at cost less any accumulated impairment.

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

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

#### 1.10 Financial instruments

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

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

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

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

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

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

A financial asset is:

- cash;
- a residual interest of another entity; or

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## Rustenburg Local Municipality

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### Accounting Policies

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Guarantees are disclosed in the notes to the financial statements and they are measured at fair value. Companies are granted the option of providing a guarantee instead of a consumer deposit when opening a new consumer account.

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

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

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

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

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

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

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

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

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

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

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

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

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

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

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

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

- derivatives;
- combined instruments that are designated at fair value;

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Accounting Policies

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- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

#### Classification

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

Class	Category
Receivables from Exchange Transactions	Financial asset measured at amortised cost
Cash and Cash Equivalents	Financial asset measured at fair value
Investments	Financial asset measured at fair value and cost
Guarantees	Financial asset measured at fair value

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

Class	Category
Consumer Deposits	Financial liability measured at amortised cost
Payables from Exchange Transactions	Financial liability measured at cost
Long-term Liabilities	Financial liability measured at amortised cost
Finance Lease Obligation	Financial liability measured at fair value

#### Initial recognition

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

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- revenue through surplus or deficit in the statement of financial performance, where it is the recipient of the loan.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

## Accounting Policies

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### Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

### Fair value measurement considerations

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

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

### Reclassification

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

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

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

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

### Gains and losses

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

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

### Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Financial assets measured at cost:

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

#### Derecognition

##### Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

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

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

##### Financial liabilities

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

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

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity are recognised in surplus or deficit in the statement of financial performance.

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#### **Presentation**

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

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

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

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

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

#### **1.11 VAT**

The Municipality is registered with SARS for VAT on the payments basis, in accordance with Section 15 of the Value-Added Tax Act. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position.

#### **1.12 Leases**

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

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

#### **Finance leases - lessor**

The economic entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the economic entity's net investment in the finance lease.

#### **Finance leases - lessee**

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

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

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

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

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#### **Operating leases - lessor**

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

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

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

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

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

#### **Operating leases - lessee**

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

#### **1.13 Inventories**

Inventories consist of consumables, water and land held for resale.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

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.

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.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

The cost of inventories (consumable stores, raw materials, work-in-progress and finished goods) is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

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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.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Water is regarded as inventory when the municipality purchase water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, and is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the statement of financial position.

The basis of determining the cost of water purchased and not yet sold at statement of financial position date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

Water are valued by using the weighted average method, at the lowest of purified cost and net realisable value, in so far as it is stored and controlled in reservoirs at year-end.

#### **1.14 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

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#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the economic entity also test 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 economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the economic entity applies the appropriate discount rate to those future cash flows.

#### Reversal of impairment loss

The economic entity assess 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.

#### 1.15 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.

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Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

[Specify judgements made]

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test 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.

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#### **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 economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned 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.

#### **Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

#### **Reversal of an impairment loss**

The economic entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

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#### **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.

#### **1.16 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.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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### 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 recognise 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 recognise 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 measure 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 recognise 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: 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 recognise 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 recognise 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.

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#### **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 recognise 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 recognise 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 measure 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 determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

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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 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.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### **Accounting Policies**

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#### **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.

#### **Other post retirement obligations**

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

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## Rustenburg Local Municipality

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### Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit 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 benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

### 1.17 Provisions and contingencies

A provision is a liability of uncertain timing or amount.

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Accounting Policies

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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 judgement of the management of the entity, supplemented by the 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 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 is unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45 to enable users to determine the risk involved.

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 entity.

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 entity.

#### 1.18 Capital Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of resources/cash.

Capital commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.

#### 1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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## Rustenburg Local Municipality

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## Accounting Policies

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### Sale of goods

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

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

### Rendering of services

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 consumptions are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. 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 refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly..

### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

### 1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

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.

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### **Accounting Policies**

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Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality 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 municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### **Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### **Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Accounting Policies

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#### Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Collection charges are recognised when such amounts are legally enforceable (property rates). Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rate revenue already recognised are processed or additional rates revenue is recognised.

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

The municipality has two types of fines, spot fines and summonses. The municipality recognise the full amount of revenue at the transaction date. Subsequent to initial recognition and measurement, the municipality assess the collectability of the revenue and recognise an impairment loss.

#### Government Grants and other grants

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

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

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential based on the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

When government remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

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## Rustenburg Local Municipality

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## Accounting Policies

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### **Gifts and donations, including goods in-kind**

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

### **1.21 Accounting by principals and agents**

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.

Identifying whether an entity is a principal or an agent

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Recognition

The municipality, 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 municipality, 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.

### **1.22 Borrowing costs**

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **1.23 Other income**

Other income represents income from activities other than normal Municipal ordinary operations. These are recognised in surplus when they accrue to the Municipality, that is when the right to receive payment is established. Other income is measured as fair value of the consideration receivable.

### **1.24 Licenses and permits**

Licenses and permits are recognised in surplus when the municipality's right to receive payment has been established. These are measured by applying the relevant gazetted tariff.

### **1.25 Comparative figures**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### **1.26 Unauthorised expenditure**

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

All expenditure relating to unauthorised expenditure is 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.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

## Accounting Policies

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### 1.27 Fruitless and wasteful expenditure

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.

### 1.28 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic 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.

### 1.29 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.

### 1.30 Budget information

Economic Entity is 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 economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The budget for the economic entity includes all the entities approved budgets under its control.

The consolidated 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.

The materiality threshold for variances between budget and actual amounts is 10%. Reasons for variances greater than or equal to 10% are disclosed in the financial statements.

### 1.31 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Accounting Policies

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Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the economic entity.

The economic entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the economic entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the economic entity is exempt from the disclosures in accordance with the above, the economic entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its consolidated annual financial statements.

#### 1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

#### 1.33 Service concession arrangements: Entity as grantor

Service concession arrangement is a contractual arrangement between a grantor and an operator in which an operator uses the services concession asset to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

##### Recognition of asset and liability

The entity recognises an asset provided by the operator and an upgrade to an existing asset of the entity, as a service concession asset if the entity controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price, and if the entity controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the asset at the end of the term of the arrangement. This applies to an asset used in a service concession arrangement for its entire economic life (a "whole-of-life" asset).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from owned and/or leased assets.

Where the entity recognises a service concession asset, and the asset is not an existing asset of the entity (grantor), the entity (grantor) also recognises a liability.

The entity does not recognise a liability when an existing asset of the entity is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator.

##### Measurement of asset and liability

The entity initially measures the service concession asset as follows:

- Where the asset is not an existing asset of the entity, the asset is measured at its fair value.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Accounting Policies

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- Where the asset is an existing asset of the entity and it meets the recognition criteria of a service concession asset, the asset is reclassified as a service concession asset, and the asset is accounted for in accordance with the policy on Investment property, Property, plant and equipment, Intangible assets, or Heritage assets, as appropriate.

The entity initially measures the liability at the same amount as the service concession asset, adjusted by the amount of any other consideration from the entity to the operator, or from the operator to the entity.

#### 1.34 Expenditure

Expenditure includes bulk purchases, contracted services, general expenses and lease rentals. Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.

A common characteristic of contracted services is for the municipality to have a valid contract and service level agreement in place. However, this is not the defining characteristic of whether an expense would be classified as contracted services. Contracted services include expenditure where services are rendered by an external party and the responsibility for performing the service lies with the external party.

General expenses arise from the ordinary course of operations and are those expenses that are incurred in the day-to-day functioning of the municipality irrespective of whether or not a contract or service level agreement is in place.

Expenses are recognised in the period in which they are incurred.

#### 1.35 Non living resources

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, are not recognised as assets. Required information are disclosed in the notes to the annual financial statements.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 2. New standards and interpretations

##### 2.1 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01/07/2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 (amended): Heritage Assets	01/04/2099	Unlikely there will be a material impact
• Improvements to Standards of GRAP, 2023	01/04/2099	Unlikely there will be a material impact
• Amendments to GRAP 105, GRAP 106 and GRAP107: Transfers of Functions and Mergers	01/04/2099	Unlikely there will be a material impact
• GRAP 1 (amended), Presentation of Financial Statements ( Going Concern)	01/04/2099	Unlikely there will be a material impact
• IGRAP 22 : Foreign Currency Transactions and Advance Consideration	01/04/2025	Unlikely there will be a material impact
• GRAP 104 (amended): Financial Instruments	01/04/2025	Unable to reliably estimate the impact

#### 3. Investment property

Economic entity	2025		2024			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	216 618	(129 711)	86 907	217 689	(123 770)	93 919

Controlling entity	2025		2024			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	216 618	(129 711)	86 907	217 689	(123 770)	93 919

#### Reconciliation of investment property - Economic entity - 2025

	Opening balance	Disposals	Depreciation	Total
Investment property	93 919	(169)	(6 843)	86 907

#### Reconciliation of investment property - Economic entity - 2024

	Opening balance	Depreciation	Total
Investment property	101 027	(7 108)	93 919

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### Notes to the Consolidated Annual Financial Statements

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

#### 3. Investment property (continued)

##### Reconciliation of investment property - Controlling entity - 2025

	Opening balance	Disposals	Depreciation	Total
Investment property	93 919	(169)	(6 843)	86 907

##### Reconciliation of investment property - Controlling entity - 2024

	Opening balance	Depreciation	Total
Investment property	101 027	(7 108)	93 919

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.

There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 4. Property, plant and equipment

Economic entity	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 521 778	-	1 521 778	1 528 855	-	1 528 855
Buildings	1 891 883	(1 261 106)	630 777	1 745 882	(1 245 619)	500 263
Plant and machinery	72 801	(62 873)	9 928	68 828	(57 723)	11 105
Furniture and fixtures	59 892	(23 469)	36 423	57 336	(45 181)	12 155
Transport Assets	255 347	(141 173)	114 174	248 383	(133 211)	115 172
Office equipment	60 708	(44 318)	16 390	56 158	(39 263)	16 895
Transport assets - Service concession asset	131 434	(33 402)	98 032	61 740	(7 320)	54 420
Buildings - Service concession asset	106 020	(51 677)	54 343	106 020	(48 469)	57 551
Infrastructure electricity - Service concession asset	478	(410)	68	478	(403)	75
Furniture and fixtures - Service concession asset	188	(130)	58	188	(113)	75
Infrastructure water - Service concession asset	434	(393)	41	434	(385)	49
Infrastructure Roads and Transport - Service concession asset	14	(9)	5	14	(8)	6
Bins and containers	1 672	(1 630)	42	1 672	(1 510)	162
Other	2 815	(2 687)	128	2 815	(2 606)	209
Electrical Equipment	17 190	-	17 190	13 255	-	13 255
Infrastructure - Sewerage	1 526 891	(752 660)	774 231	1 373 712	(719 164)	654 548
Infrastructure - Electricity	1 617 381	(855 245)	762 136	1 588 257	(817 636)	770 621
Infrastructure - Roads and Transport	7 560 112	(3 341 607)	4 218 505	7 527 555	(3 171 519)	4 356 036
Infrastructure - Water	1 790 524	(1 084 979)	705 545	1 723 497	(1 051 570)	671 927
Rustenburg Water Services Trust	1 284 009	(299 885)	984 124	1 261 843	(250 839)	1 011 004
<b>Total</b>	<b>17 901 571</b>	<b>(7 957 653)</b>	<b>9 943 918</b>	<b>17 366 922</b>	<b>(7 592 539)</b>	<b>9 774 383</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 4. Property, plant and equipment (continued)

Controlling entity	2025		2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment
Land	1 521 778	-	1 521 778	1 528 855	-
Buildings	1 891 883	(1 261 106)	630 777	1 745 882	(1 245 619)
Plant and machinery	72 801	(62 873)	9 928	68 828	(57 723)
Furniture and fixtures	59 892	(23 469)	36 423	57 336	(45 181)
Transport Assets	255 347	(141 173)	114 174	248 383	(133 211)
Office equipment	60 708	(44 318)	16 390	56 158	(39 263)
Transport assets - Service concession asset	131 434	(33 402)	98 032	61 740	(7 320)
Buildings - Service concession asset	106 020	(51 677)	54 343	106 020	(48 469)
Infrastructure electricity - Service concession asset	478	(410)	68	478	(403)
Furniture and fixtures - Service concession asset	188	(130)	58	188	(113)
Infrastructure water - Service concession asset	434	(393)	41	434	(385)
Infrastructure Roads and Transport - Service concession asset	14	(9)	5	14	(8)
Bins and containers	1 672	(1 630)	42	1 672	(1 510)
Other	2 815	(2 687)	128	2 815	(2 606)
Electrical Equipment	17 190	-	17 190	13 255	-
Infrastructure - Sewerage	1 526 891	(752 660)	774 231	1 373 712	(719 164)
Infrastructure - Electricity	1 617 381	(855 245)	762 136	1 588 257	(817 636)
Infrastructure - Roads and Transport	7 560 112	(3 341 607)	4 218 505	7 527 555	(3 171 519)
Infrastructure - Water	1 790 524	(1 084 979)	705 545	1 723 497	(1 051 570)
<b>Total</b>	<b>16 617 562</b>	<b>(7 657 768)</b>	<b>8 959 794</b>	<b>16 105 079</b>	<b>(7 341 700)</b>
					<b>8 763 379</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

#### 4. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - Economic entity - 2025

	Opening balance	Additions	Work-in-progress	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	1 528 855	-	-	(7 077)	-	-	-	1 521 778
Buildings	500 263	17 365	140 936	(2 339)	-	(25 439)	(9)	630 777
Plant and machinery	11 105	3 971	-	-	-	(2 900)	(2 248)	9 928
Furniture and fixtures	12 155	35 865	-	(6 775)	-	(4 651)	(171)	36 423
Transport assets	115 172	7 873	-	(524)	-	(8 347)	-	114 174
Office equipment	16 895	5 053	-	(280)	-	(4 580)	(698)	16 390
Transport assets - Service concession asset	54 420	69 694	-	-	-	(11 475)	(14 607)	98 032
Buildings - Service concession asset	57 551	-	-	-	-	(3 208)	-	54 343
Infrastructure electricity - Service concession asset	75	-	-	-	-	(7)	-	68
Furniture and fixtures - Service concession asset	75	-	-	-	-	(17)	-	58
Infrastructure water - Service concession asset	49	-	-	-	-	(8)	-	41
Infrastructure Roads and Transport - Service concession asset	6	-	-	-	-	(1)	-	5
Bins and containers	162	-	-	-	-	(36)	(84)	42
Other	209	-	-	-	-	(81)	-	128
Electrical Equipment	13 255	-	-	-	3 935	-	-	17 190
Infrastructure - Sewerage	654 548	93 115	60 111	-	-	(29 617)	(3 926)	774 231
Infrastructure - Electricity	770 621	-	29 125	-	-	(36 397)	(1 213)	762 136
Infrastructure - Roads and Transport	4 356 036	19 260	13 297	-	-	(169 503)	(585)	4 218 505
Infrastructure - Water	671 927	3 306	63 720	-	-	(33 222)	(186)	705 545
Rustenburg Water Trust Bulk Water Assets	1 011 004	14 866	7 300	-	-	(49 046)	-	984 124
	9 774 383	270 368	314 489	(16 995)	3 935	(378 535)	(23 727)	9 943 918

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

#### 4. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Work-in-progress	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	1 520 810	8 045	-	-	-	-	-	1 528 855
Buildings	531 971	656	8 876	-	-	(33 444)	(7 796)	500 263
Plant and machinery	15 842	327	-	(13)	-	(5 035)	(16)	11 105
Furniture and fixtures	15 630	840	-	(14)	-	(4 263)	(38)	12 155
Transport assets	122 907	2 796	-	(1 591)	-	(8 940)	-	115 172
Office equipment	17 824	4 568	-	(237)	-	(5 208)	(52)	16 895
Transport assets - Service concession asset	34 234	42 593	-	(17 457)	-	(4 950)	-	54 420
Buildings - Service concession asset	60 983	-	-	-	-	(3 250)	(182)	57 551
Infrastructure electricity - Service concession asset	82	-	-	-	-	(7)	-	75
Furniture and fixtures - Service concession asset	113	-	-	-	-	(38)	-	75
Infrastructure water - Service concession asset	56	-	-	-	-	(7)	-	49
Infrastructure Roads and Transport - Service concession asset	6	-	-	-	-	-	-	6
Bins and containers	253	-	-	-	-	(90)	(1)	162
Other	334	-	-	-	-	(125)	-	209
Electrical Equipment	11 688	-	-	-	1 567	-	-	13 255
Infrastructure - Sewerage	516 783	52 473	114 166	-	-	(28 401)	(473)	654 548
Infrastructure - Electricity	772 970	14 404	24 002	-	-	(37 303)	(3 452)	770 621
Infrastructure - Roads and Transport	4 383 977	218 186	(63 087)	-	-	(178 658)	(4 382)	4 356 036
Infrastructure - Water	686 350	110 150	(90 290)	-	-	(33 303)	(980)	671 927
Rustenburg Water Trust Bulk Water Assets	1 053 645	14 792	-	-	-	(51 848)	(5 585)	1 011 004
	<b>9 746 458</b>	<b>469 830</b>	<b>(6 333)</b>	<b>(19 312)</b>	<b>1 567</b>	<b>(394 870)</b>	<b>(22 957)</b>	<b>9 774 383</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

#### 4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2025

	Opening balance	Additions	Work-in-progress	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	1 528 855	-	-	(7 077)	-	-	-	1 521 778
Buildings	500 263	17 365	140 936	(2 339)	-	(25 439)	(9)	630 777
Plant and machinery	11 105	3 971	-	-	-	(2 900)	(2 248)	9 928
Furniture and fixtures	12 155	35 865	-	(6 775)	-	(4 651)	(171)	36 423
Transport assets	115 172	7 873	-	(524)	-	(8 347)	-	114 174
Office equipment	16 895	5 053	-	(280)	-	(4 580)	(698)	16 390
Transport assets - Service concession asset	54 420	69 694	-	-	-	(11 475)	(14 607)	98 032
Buildings - Service concession asset	57 551	-	-	-	-	(3 208)	-	54 343
Infrastructure electricity - Service concession asset	75	-	-	-	-	(7)	-	68
Furniture and fixtures - Service concession asset	75	-	-	-	-	(17)	-	58
Infrastructure water - Service concession asset	49	-	-	-	-	(8)	-	41
Infrastructure Roads and Transport - Service concession asset	6	-	-	-	-	(1)	-	5
Bins and containers	162	-	-	-	-	(36)	(84)	42
Other	209	-	-	-	-	(81)	-	128
Electrical Equipment	13 255	-	-	-	3 935	-	-	17 190
Infrastructure - Sewerage	654 548	93 115	60 111	-	-	(29 617)	(3 926)	774 231
Infrastructure - Electricity	770 621	-	29 125	-	-	(36 397)	(1 213)	762 136
Infrastructure - Roads and Transport	4 356 036	19 260	13 297	-	-	(169 503)	(585)	4 218 505
Transport	671 927	3 306	63 720	-	-	(33 222)	(186)	705 545
Infrastructure - Water								
	8 763 379	255 502	307 189	(16 995)	3 935	(329 489)	(23 727)	8 959 794

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

#### 4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity - 2024

	Opening balance	Additions	Work-in-progress	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	1 520 810	8 045	-	-	-	-	-	1 528 855
Buildings	531 971	656	8 876	-	-	(33 444)	(7 796)	500 263
Plant and machinery	15 842	327	-	(13)	-	(5 035)	(16)	11 105
Furniture and fixtures	15 630	840	-	(14)	-	(4 263)	(38)	12 155
Transport assets	122 907	2 796	-	(1 591)	-	(8 940)	-	115 172
Office equipment	17 824	4 568	-	(237)	-	(5 208)	(52)	16 895
Transport assets - Service concession asset	34 234	42 593	-	(17 457)	-	(4 950)	-	54 420
Buildings - Service concession asset	60 983	-	-	-	-	(3 250)	(182)	57 551
Infrastructure electricity - Service concession asset	82	-	-	-	-	(7)	-	75
Furniture and fixtures - Service concession asset	113	-	-	-	-	(38)	-	75
Infrastructure water - Service concession asset	56	-	-	-	-	(7)	-	49
Infrastructure Roads and Transport - Service concession asset	6	-	-	-	-	-	-	6
Bins and containers	253	-	-	-	-	(90)	(1)	162
Other	334	-	-	-	-	(125)	-	209
Electrical Equipment	11 688	-	-	-	1 567	-	-	13 255
Infrastructure - Sewerage	516 783	52 473	114 166	-	-	(28 401)	(473)	654 548
Infrastructure - Electricity	772 970	14 404	24 002	-	-	(37 303)	(3 452)	770 621
Infrastructure - Roads and Transport	4 383 977	218 186	(63 087)	-	-	(178 658)	(4 382)	4 356 036
Transport	686 350	110 150	(90 290)	-	-	(33 303)	(980)	671 927
Infrastructure - Water								
	8 692 813	455 038	(6 333)	(19 312)	1 567	(343 022)	(17 372)	8 763 379

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>4. Property, plant and equipment (continued)</b>				
<b>Property, plant and equipment in the process of being constructed or developed</b>				
<b>Cumulative expenditure recognised in the carrying value of property, plant and equipment</b>				
Buildings	386 202	246 009	386 202	246 009
Electricity	203 908	174 784	203 908	174 784
Roads	388 495	375 199	388 495	375 199
Sewerage	277 996	217 885	277 996	217 885
Water	140 564	76 844	140 564	76 844
Rustenburg Water Trust Bulk Water Assets	85 647	78 347	-	-
	<b>1 482 812</b>	<b>1 169 068</b>	<b>1 397 165</b>	<b>1 090 721</b>
<b>Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected</b>				
Upgrading of the bulk sewer lines to the WWTW (Western Area)	6 992	6 992	6 992	6 992
[Project suspended due to non performance by the contractor]				
Boschdal Water Supply (Infra, Water)	2 231	2 231	2 231	2 231
[Project suspended due to non performance by the contractor]				
Fleet Services	16 745	16 745	16 745	16 745
[Contract under litigation]				
Marikana Waste Transfer Station - Construction R (Land & Bld, Solid waste fac	39 786	39 786	39 786	39 786
[Contract terminated due to non performance by the contractor]	-	-	-	-
Motor City Substation - Phase 2 (Infr, Elec)	13 137	13 137	13 137	13 137
[Project delays due to contractual disagreements]	-	-	-	-
Rustenburg - (Incl - Extentions) Replacement Of Water Ac Pipes (Infra, Water)	21 470	21 470	21 470	21 470
[Project delays due to contractual disagreements]	-	-	-	-
Rtb & Extensions - Upgrading Of Water Meters And Aged Connections (Infra, Water)	16 057	16 057	16 057	16 057
[Project delays due to contractual disagreements]	-	-	-	-
Waterkloof Substation-Inter Connection To New Eskom Switching Station , (Infra)	48 003	48 003	48 003	48 003
[Project delays due to contractual disagreements]	-	-	-	-
Construction of RRT Station - Contractor A (Land & Bld, Comm)	269 947	268 860	269 947	268 860
[Project delays due to contractual disagreements]	-	-	-	-
Replacement of Tlhabane AC sewer bulk line (B)	72 348	28 017	72 348	28 017
[The contractor was terminated]	-	-	-	-
Replacement of Thlanane AC Sewer bulk line (A)	28 591	28 591	28 591	28 591
[The contractor was terminated]	-	-	-	-
Meriting Ward 18 Part A	6 034	6 034	6 034	6 034
[There is an MOU between RLM and Impala Mines, but due to financial constraints Impala Mine will be taking over the remaining portion of the works]	-	-	-	-
Boitekong Hawker Stalls	8 149	8 149	8 149	8 149
[The contractor had stoppages from the business forum]	-	-	-	-
Construction of Tlhabane West Sport Facility	26 415	19 505	26 415	19 505
[The contractor could not again access to site due to community unrests and subcontractors]	-	-	-	-

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>4. Property, plant and equipment (continued)</b>				
Upgrading and construction of internal access roads in Kanana Phase A	21 338	21 180	21 338	21 180
Bospoort Water Treatment Works [Slow progress on the procurement process of the mechanical and electrical contract]	69 651	62 351	-	-
	666 894	607 108	597 243	544 757

#### Expenditure incurred to repair and maintain property, plant and equipment

##### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Buildings	19 961	20 736	19 961	20 736
Infrastructure - Electricity	31 539	48 657	31 539	48 657
Infrastructure - Roads	46 973	59 244	46 973	59 244
Infrastructure - Sewerage	16 754	13 145	16 754	13 145
Infrastructure - Water	62 008	9 079	62 008	9 079
Office Equipment	7 406	7 075	7 406	7 075
Furniture and Fixtures	1 958	1 970	1 958	1 970
Transport assets	125	1 279	125	1 279
Other	-	221	-	221
Rustenburg Water Services Trust Bulk Water Assets	30 543	22 161	-	-
	217 267	183 567	186 724	161 406

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.

The Work in Progress (WIP) primarily comprises buildings and infrastructure.

The municipality has made service concession arrangements on the bus rapid transport system with Rustenburg Transit (Pty) Ltd. The asset involved are buses, taxis, depots and related infrastructure.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 5. Heritage assets

Economic entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Ox Wagon	150	-	150	150	-	150
Historical statue	1 100	-	1 100	1 100	-	1 100
Hand Drawn Field Ambulance	5	-	5	5	-	5
Jewellery	119	-	119	119	-	119
<b>Total</b>	<b>1 374</b>	<b>-</b>	<b>1 374</b>	<b>1 374</b>	<b>-</b>	<b>1 374</b>

Controlling entity	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Ox Wagon	150	-	150	150	-	150
Historical statue	1 100	-	1 100	1 100	-	1 100
Hand Drawn Field Ambulance	5	-	5	5	-	5
Jewellery	119	-	119	119	-	119
<b>Total</b>	<b>1 374</b>	<b>-</b>	<b>1 374</b>	<b>1 374</b>	<b>-</b>	<b>1 374</b>

#### Reconciliation of heritage assets Economic entity - 2025

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	<b>1 374</b>	<b>1 374</b>

#### Reconciliation of heritage assets Economic entity - 2024

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	<b>1 374</b>	<b>1 374</b>

#### Reconciliation of heritage assets Controlling entity - 2025

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	<b>1 374</b>	<b>1 374</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 5. Heritage assets (continued)

##### Reconciliation of heritage assets Controlling entity - 2024

	Opening balance	Total
Ox Wagon	150	150
Historical statue	1 100	1 100
Hand Drawn Field Ambulance	5	5
Jewellery	119	119
	1 374	1 374

#### 6. Investments

Name of company	Carrying amount	Carrying amount	Carrying amount	Carrying amount
	2025	2024	2025	2024
Listed Shares - Sanlam	1 172	1 074	1 172	1 074
Unlisted - Municipal Entity	-	-	1	1
	1 172	1 074	1 173	1 075

##### Detail

Market value of listed investment is R1 172 (2024: R1 074). The municipal entity is the Rustenburg Water Services Trust. The Trusts objective is to procure the design, construction, implementation, operation and maintenance of the Rustenburg, Boitekong, Lethabong and Monnakato Waste Water Treatment Works (WWTW) as well the Boosport and Kloof Water Treatment Plants. The nature of the relationship is that Rustenburg Local Municipality is the sole beneficiary of the trust and has the right to appoint 4 representatives on the board of trustees.

#### 7. VAT Receivable

VAT Accrual	180 765	160 198	180 765	160 198
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The VAT accrual does not represent amounts to be received, but rather amounts that are associated with transactions that are yet to be settled. There is no money to be received from SARS for these amounts as yet.

#### 8. Finance lease receivables

Present value of minimum lease payments due - within one year	-	-	-	502
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##### Leasing Arrangements

A finance lease was granted to the entity (RWST) for sewerage plant transferred by the municipality to the RWST. The lease is repayable over twenty years, in half yearly payments at the end of June and December, with the last instalment due on 30 June 2025. The interest rate implicit in the lease is 11%. All leases are denominated in Rand Currency Unit.

Management of the municipality is of the opinion that the carrying value of finance lease receivables recorded at amortised cost in the annual financial statements approximate their fair values.

#### 9. Operating lease asset (liability)

Operating leases are recognised on the straight-line basis as per the requirements of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>9. Operating lease asset (liability) (continued)</b>				
Balance at beginning of year	-	9	-	9
Operating Lease Revenue recorded	-	(9)	-	(9)
	-	-	-	-

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 10. Employee benefit obligations

##### Defined benefit plan

###### Post-retirement Health Care Benefits Liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2025 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

###### Long Service Awards Liability

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable to employees after 10 years of continuous service, and every 5 years of continuous service from 10 years of service to 45 years of service. The provision is an estimate of the long service based on historical staff turnover. Additional cash/gifts are awarded to employees for levels of past service per the LSA policy.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried at 30 June 2025 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

##### The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	1 251	1 266	1 251	1 266
In-service Non-members (Employees)	412	420	412	420
Continuation Members (Retirees, widowers and orphans)	121	121	121	121
	<b>1 784</b>	<b>1 807</b>	<b>1 784</b>	<b>1 807</b>

##### The liability in respect of past

In-service Members - Post Retirement Health Care	<b>286 742</b>	<b>249 929</b>	<b>286 742</b>	<b>249 929</b>
In-service: Non members - Post Retirement Health Care	121 905	101 254	121 905	101 254
Continuation Members (Retirees, widows and orphans) - Post Retirement Health Care	5 186	4 251	5 186	4 251
Long Service Awards	67 346	62 093	67 346	62 093
	<b>92 305</b>	<b>82 331</b>	<b>92 305</b>	<b>82 331</b>

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Samwumed

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 10. Employee benefit obligations (continued)

The amounts recognised in the statement of financial position are as follows:

Carrying value	2025	2024	2025	2024
Present value of the defined benefit obligation- Post Retirement Health Care	(194 437)	(167 598)	(194 437)	(167 598)
Present value of the defined benefit obligation - Long Service Awards	(92 305)	(82 331)	(92 305)	(82 331)
	<b>(286 742)</b>	<b>(249 929)</b>	<b>(286 742)</b>	<b>(249 929)</b>
Non-current liabilities	(266 113)	(232 643)	(266 113)	(232 643)
Current liabilities	(20 629)	(17 286)	(20 629)	(17 286)
	<b>(286 742)</b>	<b>(249 929)</b>	<b>(286 742)</b>	<b>(249 929)</b>

Changes in the present value of the defined benefit obligation are as follows:

Post Retirement Health Care	2025	2024	2025	2024
Opening balance	167 598	153 259	167 598	153 259
Benefits paid	(6 198)	(6 078)	(6 198)	(6 078)
Net (income) / expense recognised in the statement of financial performance	33 037	20 417	33 037	20 417
	<b>194 437</b>	<b>167 598</b>	<b>194 437</b>	<b>167 598</b>

#### Long Service Awards

Long Service Awards	2025	2024	2025	2024
Opening balance	82 331	73 032	82 331	73 032
Benefits paid	(7 341)	(4 490)	(7 341)	(4 490)
Net (income) / expense recognised in the statement of financial performance	17 315	13 789	17 315	13 789
	<b>92 305</b>	<b>82 331</b>	<b>92 305</b>	<b>82 331</b>

#### Net (income)/expense recognised in the statement of financial performance

Post Retirement Health Care	2025	2024	2025	2024
Current service cost	7 306	6 879	7 306	6 879
Interest cost	20 116	18 769	20 116	18 769
Actuarial (gains) losses	5 615	(5 231)	5 615	(5 231)
<b>Post-retirement Benefit included in Profit and Loss</b>	<b>33 037</b>	<b>20 417</b>	<b>33 037</b>	<b>20 417</b>

#### Long Service Awards

Long Service Awards	2025	2024	2025	2024
Current service cost	6 582	6 375	6 582	6 375
Interest cost	8 496	7 946	8 496	7 946
Actuarial (gains) losses	2 237	(532)	2 237	(532)
<b>Long Service Award included in Profit and Loss</b>	<b>17 315</b>	<b>13 789</b>	<b>17 315</b>	<b>13 789</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 10. Employee benefit obligations (continued)

##### Key assumptions used

Assumptions used at the reporting date:

##### Post Retirement Health Care

Discount rate	11,20 %	12,26 %	11,20 %	12,26 %
Health care cost inflation rate	7,00 %	7,74 %	7,00 %	7,74 %
Net-of-health-care-cost-inflation discount rate	3,90 %	4,20 %	3,90 %	4,20 %
Net-of-maximum-subsidy-inflation discount rate	6,30 %	6,48 %	6,30 %	6,48 %
Maximum subsidy inflation rate	4,70 %	5,43 %	4,70 %	5,43 %
<b>Long Service Awards</b>	- %	- %	- %	- %
Discount Rate	9,70 %	10,97 %	9,70 %	10,97 %
General Salary Inflation	4,70 %	6,14 %	4,70 %	6,14 %
Net discount rate	4,80 %	4,55 %	4,80 %	4,55 %

The basis on which the discount rate has been determined is as follow:

##### Post Retirement Health Care

GRAP 25 stipulates that the choice of this rate should be derived from high quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post employment liabilities should be used.

Consequently, a discount rate of 11.2% per annum has been used. The corresponding index-linked yield at this term is 5.2%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 30 June 2025..

These rates are calculated by using a liability-weighted average of the yields for the three components of the liability. Each component's fixed-interest and index-linked yields were taken from the bond yield curve at that component's duration, using an iterative process (because the yield depends on the liability, which in turn depends on the yield).

##### Long Service Awards

GRAP 25 stipulates that the choice of this rate should be derived from high quality corporate bond yields. However, where the market in these bonds is not significant, the market yields on government bonds consistent with the estimated term of the post employment liabilities should be used.

Consequently, a discount rate of 9.7% per annum has been used. The corresponding liability-weighted index-linked yield is 5.3%. These rates do not reflect any adjustment for taxation, and were deduced from the interest rate data obtained from the JSE after the market close on 30 June 2025.

##### Expected Retirement Age

Expected Retirement Age - Female	62	62	62	62
Expected Retirement Age - Male	62	62	62	62

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

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

#### 10. Employee benefit obligations (continued)

##### Other assumptions

Amounts for the current and previous four years are as follows:

	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Accrued liability - Post Retirement Health Care	154 596	161 849	153 260	167 599	194 437
Actuarial Gains / (Losses) - Post Retirement Health Care	3 417	9 751	29 056	5 231	(5 615)
Accrued liability - Long Service Award	67 255	72 050	73 032	82 331	92 305
Actuarial Gains / (Losses) - Long Service Award	16 101	3 302	6 901	532	(2 237)
	-	-	-	-	-

Sensitivity Analysis on Current-service and interest cost for the year ending 30 June 2025	Current-service cost	Interest cost	Total
<b>Post Retirement Health Care</b>			
Central Assumptions	7 306	20 116	27 422
Health care inflation (+1%)	7 968	21 389	29 357
Health care inflation (-1%)	6 437	18 502	24 939
Discount rate (+1%)	6 176	19 165	25 341
Discount rate (-1%)	8 732	21 185	29 917
Post-retirement mortality (+1 years)	7 155	19 622	26 777
Post-retirement mortality (-1 years)	7 449	20 601	28 050
Average retirement age (-1 year)	7 753	21 412	29 165
Continuation of membership at retirement (-10%)	6 260	18 240	24 500
<b>Long Service Award</b>			
Central assumptions	6 582	8 496	15 078
General salary inflation (+1%)	7 054	9 012	16 066
General salary inflation (-1%)	6 155	8 024	14 179
Discount rate (+1%)	6 209	8 750	14 959
Discount rate (-1%)	6 999	8 202	15 201
Average retirement age (+2yrs)	7 140	9 341	16 481
Average retirement age (-2 yrs)	5 988	7 616	13 604
Withdrawal rates (x2)	5 025	6 867	11 892
Withdrawal rates (x0.5)	7 669	9 575	17 244

Sensitivity Analysis on the Accrued Liability - Assumptions & Change for the year ending 30 June 2025	In-service	Retired	Total
<b>Post Retirement Health Care</b>			
Central Assumptions	-	-	-
Health care inflation (+1%)	-	127 092	67 346
Health care inflation (-1%)	-	136 271	68 946
Discount rate (+1%)	-	114 590	65 206
Discount rate (-1%)	-	108 407	62 718
Post-retirement mortality (+1 years)	-	150 577	72 646
Post-retirement mortality (-1 years)	-	124 493	65 308
Average retirement age (-1 years)	-	129 613	69 366
Continuation of membership at retirement (-10%)	-	139 470	67 346
<b>Long Service Award</b>			
	-	-	-

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>10. Employee benefit obligations (continued)</b>				
Central assumptions	-	-	-	92 305
General salary inflation (+1%)	-	-	-	97 446
General salary inflation (-1%)	-	-	-	87 586
Discount rate (+1%)	-	-	-	87 529
Discount rate (-1%)	-	-	-	97 590
Average retirement age (+2 yrs)	-	-	-	101 271
Average retirement age (-2 yrs)	-	-	-	82 673
Withdrawal rates (x2yrs)	-	-	-	76 407
Withdrawal rates (x0.5yrs)	-	-	-	102 708
	-	-	-	-

#### Expected contributions for the year ending 30 June 2026

##### Post Retirement Health Care

Opening balance	194 438
Estimate - benefits to be paid	(7 827)
Estimate - Net (income) / expense	29 724
Estimate Balance - 30 June 2026	216 335

##### Long Service Awards

Opening balance	92 305
Estimate - benefits to be paid	(13 681)
Estimate - Net (income) / expense	15 077
Estimate Balance - 30 June 2026	93 701

### 11. Multi-Employer Retirement Benefit Information

Some councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds are described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Funds and the Municipal Gratuity Fund are defined contribution plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons: -

- i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

#### Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13.75%) and Council (15.00%) is sufficient to fund the benefits accruing from the fund in the future.

#### Municipal Joint Pension Fund:

Municipal Joint Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (minimum of 7.5%) and Council (18.00% and 22.00% for employees appointed before 01 July 2012) is sufficient to fund the benefits accruing from the fund in the future.

#### National Fund for Municipal Workers - Pension Fund:

National Fund for Municipal Workers operates as a defined contribution scheme. The contribution rate paid by the members (7.50% or 9.00%) and Council (18.00%) is sufficient to fund the benefits accruing from the fund in the future.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 11. Multi-Employer Retirement Benefit Information (continued)

##### Municipal Employees Pension Fund:

The Municipal Employees Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (7.5%) and Council (15.00% and 22.00% for employees appointed before 01 July 2012) is sufficient to fund the benefits accruing from the fund in the future.

#### 12. Inventories

Consumable stores	16 445	16 755	16 445	16 755
Water	779	574	779	574
Unsold Properties Held for Resale	28 360	28 360	28 360	28 360
	<b>45 584</b>	<b>45 689</b>	<b>45 584</b>	<b>45 689</b>

Consumables stores consists of maintenance materials and spare parts.

Electrical equipment at stores is of long term nature and has been transferred to PPE. Refer to note 4

#### 13. Receivables from exchange transactions

Prepaid expenses	24 553	22 428	23 711	21 841
Cigicell debtor	1 827	4 499	1 827	4 499
Consumer debtors - Electricity	143 417	64 666	143 417	64 666
Consumer debtors - Water	63 409	37 431	35 294	16 634
Consumer debtors - Sewerage	11 936	2 935	11 936	2 935
Consumer debtors - Refuse	10 039	6 572	10 039	6 572
Consumer debtors - Other	23 127	23 042	23 127	23 042
	<b>278 308</b>	<b>161 573</b>	<b>249 351</b>	<b>140 189</b>

##### Fair value of trade and other receivables

Trade and other receivables	278 308	161 573	249 351	140 189
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##### Receivables from exchange transactions past due but not impaired

At 30 June 2025, R15 670 (2024: R13 941) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2 months past due	15 670	13 941	15 670	13 941
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##### Trade and other receivables impaired

As of 30/06/2025, Receivables from exchange transactions of R8 083 755 (2024: R6 848 807) were impaired and provided for.

#### 14. Receivables from non-exchange transactions

Fines	11 412	10 488	11 412	10 488
Consumer debtors - Rates	37 968	23 488	37 968	23 488
	<b>49 380</b>	<b>33 976</b>	<b>49 380</b>	<b>33 976</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 14. Receivables from non-exchange transactions (continued)

The average credit period for Receivables is 30 days. Interest is charged once a capital balance is outstanding for more than 30 days (1 month) at the time of the billing run. Interest is charged at prime +1% for property rates interest and prime + 2% for services interest rate of the capital balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Receivables.

The management of the municipality is of the opinion that the carrying value of Receivables approximate their fair values.

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 municipality has two classes of receivables that meet the criteria of statutory receivables, being property rates which are levied in terms of the Municipal Property Rates Act and traffic fines imposed in terms of the Criminal Procedure Act. Receivables from traffic fines and property rates are part of this note but are disclosed separately in line with GRAP 108: Statutory receivables.

Gross Balance - Fines	58 426	52 783	58 426	52 783
Allowance for Impairment - Fines	(47 014)	(42 295)	(47 014)	(42 295)
<b>Net Balance - Fines</b>	<b>11 412</b>	<b>10 488</b>	<b>11 412</b>	<b>10 488</b>
Gross Balance - Property Rates	810 367	639 425	810 367	639 425
Allowance for Impairment - Property Rates	(772 399)	(615 937)	(772 399)	(615 937)
<b>Net Balance - Property Rates</b>	<b>37 968</b>	<b>23 488</b>	<b>37 968</b>	<b>23 488</b>

#### Receivables from non-exchange transactions past due but not impaired

At 30/06/2025, R2 544 (2024: R2 534) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2 months past due	2 544	2 534	2 544	2 534
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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 14. Receivables from non-exchange transactions (continued)

##### Receivables from non-exchange transactions impaired

The Provision for Impairment on Receivables exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios would be similar to the historical payment ratios.

The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

In determining the recoverability of a Debtor, the municipality considers any change in the credit quality of the Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange Transactions, the municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

Furthermore, no Provision for Impairment was calculated on Receivables other than Assessment Rates debtors and Traffic Fines debtors as the management is of the opinion that all Receivables are recoverable within normal credit terms.

#### 15. Consumer debtors disclosure

##### Gross balances

Consumer debtors - Rates	810 367	639 425	810 367	639 425
Consumer debtors - Electricity	784 676	625 500	784 676	625 500
Consumer debtors - Water	2 024 715	1 729 598	1 996 600	1 708 801
Consumer debtors - Sewerage	619 567	488 005	619 567	488 005
Consumer debtors - Refuse	679 088	563 790	679 088	563 790
Consumer debtors - Other	4 227 637	3 576 560	4 227 637	3 576 560
	<b>9 146 050</b>	<b>7 622 878</b>	<b>9 117 935</b>	<b>7 602 081</b>

##### Less: Allowance for impairment

Consumer debtors - Rates	(772 399)	(615 937)	(772 399)	(615 937)
Consumer debtors - Electricity	(641 259)	(560 834)	(641 259)	(560 834)
Consumer debtors - Water	(1 961 306)	(1 692 167)	(1 961 306)	(1 692 167)
Consumer debtors - Sewerage	(607 631)	(485 070)	(607 631)	(485 070)
Consumer debtors - Refuse	(669 049)	(557 218)	(669 049)	(557 218)
Consumer debtors - Other	(4 204 510)	(3 553 518)	(4 204 510)	(3 553 518)
	<b>(8 856 154)</b>	<b>(7 464 744)</b>	<b>(8 856 154)</b>	<b>(7 464 744)</b>

##### Net balance

Consumer debtors - Rates	37 968	23 488	37 968	23 488
Consumer debtors - Electricity	143 417	64 666	143 417	64 666
Consumer debtors - Water	63 409	37 431	35 294	16 634
Consumer debtors - Sewerage	11 936	2 935	11 936	2 935
Consumer debtors - Refuse	10 039	6 572	10 039	6 572
Consumer debtors - Other	23 127	23 042	23 127	23 042
	<b>289 896</b>	<b>158 134</b>	<b>261 781</b>	<b>137 337</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>15. Consumer debtors disclosure (continued)</b>				
<b>Rates</b>				
Current (0 -30 days)	26 831	14 240	26 831	14 240
31 - 60 days	8 593	6 714	8 593	6 714
61 - 90 days	2 544	2 534	2 544	2 534
	<b>37 968</b>	<b>23 488</b>	<b>37 968</b>	<b>23 488</b>
<b>Electricity</b>				
Current (0 -30 days)	109 062	46 000	109 062	46 000
31 - 60 days	25 943	12 028	25 943	12 028
61 - 90 days	8 412	6 638	8 412	6 638
	<b>143 417</b>	<b>64 666</b>	<b>143 417</b>	<b>64 666</b>
<b>Water</b>				
Current (0 -30 days)	51 422	27 688	23 307	6 891
31 - 60 days	9 234	7 035	9 234	7 035
61 - 90 days	2 753	2 708	2 753	2 708
	<b>63 409</b>	<b>37 431</b>	<b>35 294</b>	<b>16 634</b>
<b>Sewerage</b>				
Current (0 -30 days)	7 873	1 281	7 873	1 281
31 - 60 days	3 037	629	3 037	629
61 - 90 days	1 026	1 025	1 026	1 025
	<b>11 936</b>	<b>2 935</b>	<b>11 936</b>	<b>2 935</b>
<b>Refuse</b>				
Current (0 -30 days)	6 661	3 479	6 661	3 479
31 - 60 days	2 515	2 211	2 515	2 211
61 - 90 days	863	882	863	882
	<b>10 039</b>	<b>6 572</b>	<b>10 039</b>	<b>6 572</b>
<b>Other</b>				
Current (0 -30 days)	12 764	4 600	12 764	4 600
31 - 60 days	7 746	15 818	7 746	15 818
61 - 90 days	2 617	2 624	2 617	2 624
	<b>23 127</b>	<b>23 042</b>	<b>23 127</b>	<b>23 042</b>

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>15. Consumer debtors disclosure (continued)</b>				
<b>Summary of debtors by customer classification</b>				
<b>Consumers</b>				
Current (0 -30 days)	232 310	154 597	232 310	154 597
31 - 60 days	182 083	196 450	182 083	196 450
61 - 90 days	147 837	174 229	147 837	174 229
> 90 days	7 682 092	6 420 301	7 682 092	6 420 301
	8 244 322	6 945 577	8 244 322	6 945 577
Less: Allowance for impairment	(8 126 251)	(6 927 063)	(8 126 251)	(6 927 063)
	<b>118 071</b>	<b>18 514</b>	<b>118 071</b>	<b>18 514</b>
<b>Industrial/ commercial</b>				
Current (0 -30 days)	174 197	147 038	146 081	126 241
31 - 60 days	53 127	45 885	53 127	45 885
61 - 90 days	26 597	32 731	26 597	32 731
> 90 days	432 560	347 186	432 560	347 186
	686 481	572 840	658 365	552 043
Less: Allowance for impairment	(527 806)	(444 874)	(527 806)	(444 874)
	<b>158 675</b>	<b>127 966</b>	<b>130 559</b>	<b>107 169</b>
<b>National and provincial government</b>				
Current (0 -30 days)	13 749	12 076	13 749	12 076
31 - 60 days	15 989	7 111	15 989	7 111
61 - 90 days	3 879	6 961	3 879	6 961
> 90 days	181 630	78 312	181 630	78 312
	215 247	104 460	215 247	104 460
Less: Allowance for impairment	(202 097)	(92 806)	(202 097)	(92 806)
	<b>13 150</b>	<b>11 654</b>	<b>13 150</b>	<b>11 654</b>

### 16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13	13	13	13
Bank balances	1 128 005	1 030 014	599 184	512 937
Short-term deposits	42 834	26 491	42 834	26 491
	<b>1 170 852</b>	<b>1 056 518</b>	<b>642 031</b>	<b>539 441</b>

The management of the municipality is of the opinion that the carrying value of Current Investment Deposits, Bank Balances and Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 16. Cash and cash equivalents (continued)

The economic entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30/06/2025	30/06/2024	30/06/2023	30/06/2025	30/06/2024	30/06/2023
Primary Bank Account - ABSA - Main Branch Rustenburg - Account Number 1220000458	3 892	31 795	21 869	3 771	31 603	22 695
Primary Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 33054657	33 364	100 740	5 754	33 193	94 635	(23 219)
RRT Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 33054681	40 947	15 508	4 166	40 947	15 508	4 166
Landfill Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 33054703	7 253	5 476	4 315	7 253	5 476	4 315
Traffic Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 33054789	40 622	23 813	11 221	40 622	23 813	10 878
Conditional Grants Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 33054797	366 156	80 718	270 671	366 156	80 718	270 671
Services Bank Account - STDBANK - Barongwa Branch Rustenburg - Account Number 33054851	-	13 634	6 869	-	13 634	6 869
Licensing Bank Account - STDBANK - Barongwa Branch Rustenburg - Account Number 33061858	37 818	69 101	38 625	37 818	69 101	38 623
Housing Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 33061815	2 362	2 362	2 362	2 362	2 362	2 362
Call Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 38440318(001)	5 255	113 535	72 327	5 255	113 535	72 327
Reserves Bank Account - STD BANK - Barongwa Branch Rustenburg - Account Number 33061823	61 807	62 552	1 000	61 807	62 552	1 000
Distribution Reserve Account - ABSA - Account number 4061024001	20 350	27 136	26 038	20 350	27 136	26 038
Distribution Call Account - ABSA - Account number 4 077517288	508 471	489 940	354 237	508 471	489 940	354 237
<b>Total</b>	<b>1 128 297</b>	<b>1 036 310</b>	<b>819 454</b>	<b>1 128 005</b>	<b>1 030 013</b>	<b>790 962</b>

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

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>16. Cash and cash equivalents (continued)</b>				
Absa	7 374	6 749	7 374	6 749
Standard Bank	14 951	653	14 951	653
Kagiso Asset Management	8 403	7 850	8 403	7 850
Sanlam	11 516	10 649	11 516	10 649
Absa Guarantee Deposits	590	590	590	590
<b>Total</b>	<b>42 834</b>	<b>26 491</b>	<b>42 834</b>	<b>26 491</b>

#### Guarantees

Guarantees reflected above in the Guarantee deposit of ABSA to the value of R590 (2024:R590) are ceded in favour of third parties.

Financial Guarantee R2 163  
Financial Guarantee - (Local Documented Product - Guarantees) R26 782

#### Facilities

Leases (Full maintenance lease) R200 000

#### 17. Finance lease obligation

<b>Minimum lease payments due</b>				
- within one year	10 845	-	10 845	-
- in second to fifth year inclusive	20 660	-	20 660	-
<b>Present value of minimum lease payments</b>	<b>31 505</b>	-	<b>31 505</b>	-
 Non-current liabilities				
Current liabilities	20 660	-	20 660	-
	10 845	-	10 845	-
	<b>31 505</b>	-	<b>31 505</b>	-

Finance Lease Liabilities relates to IT Equipment with lease terms of 36 months. The effective interest rates on Finance Leases is 10.007% in line with the latest cost of borrowing. Capitalised Lease Liabilities are secured over the items of IT equipment leased.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2025	2024	2025	2024
National Government Grants - Municipal Infrastructure	38 657	54 749	38 657	54 749
Grant (MIG)				
Provincial Government Grants - Department of Sports, Arts and Culture (DSAC Library)	668	317	668	317
Provincial Government Grants - Extended Public Works Programme (EPWP)	-	151	-	151
National Government Grants: Energy Efficiency and Demand-Side Management Grant (EEDG)	-	404	-	404
National Government Grants - Water Services Infrastructure Grant (WSIG)	11 761	-	11 761	-
National Government Grants - Neighbourhood Development Programme (NDP)	8 224	4 176	8 224	4 176
	<b>59 310</b>	<b>59 797</b>	<b>59 310</b>	<b>59 797</b>

See note 31 for reconciliation of grants from National / Provincial Government.

#### 19. Other financial liabilities

##### At amortised cost

DBSA Loan 61007193	126 660	151 383	126 660	151 383
The loan is repayable in 6 monthly installments in December and June, with the redemption date of 2 July 2029. The loan bears interest at 9.90%.				
DBSA Loan 61007264	74 541	85 514	74 541	85 514
The loan is repayable in 6 monthly installments in December and June, with the redemption date of 28 June 2030. The loan bears interest at 10.07%				

**201 201      236 897      201 201      236 897**

**Total other financial liabilities** **201 201      236 897      201 201      236 897**

##### Non-current liabilities

At amortised cost	161 816	201 201	161 816	201 201
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##### Current liabilities

At amortised cost	39 385	35 696	39 385	35 696
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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 20. Provisions

##### Reconciliation of provisions - Economic entity - 2025

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation	196 441	15 383	-	211 824
Rustenburg Water Service Trust	5 511	-	(5 511)	-
	<b>201 952</b>	<b>15 383</b>	<b>(5 511)</b>	<b>211 824</b>

##### Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Additions	Total
Environmental rehabilitation	196 151	290	196 441
Rustenburg Water Service Trust	3 808	1 703	5 511
	<b>199 959</b>	<b>1 993</b>	<b>201 952</b>

##### Reconciliation of provisions - Controlling entity - 2025

	Opening Balance	Additions	Total
Environmental rehabilitation	196 441	15 383	211 824

##### Reconciliation of provisions - Controlling entity - 2024

	Opening Balance	Additions	Total
Environmental rehabilitation	196 151	290	196 441
Non-current liabilities	17 009	11 625	17 009
Current liabilities	194 815	190 327	194 815
	<b>211 824</b>	<b>201 952</b>	<b>211 824</b>
			<b>196 441</b>

#### Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R214 935 to restore the site at the end of its useful life, estimated to be 24 years for the Waterval landfill site. An inflation rate of 4.93% was used in determining the future value. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate. A discount rate of 11.15% was used in determining the Net Present Value.

#### Rustenburg Water Services Trust

From October 2023 the Trust encountered low flow volumes in the Rustenburg WWTW. These volumes were lower than what was tendered for by the operator in 2014 when the current tender was awarded. The exact amount of this provision was not known to the Trust as at 30 June 2024 and the provision is an estimated amount.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>21. Payables from exchange transactions</b>				
Trade payables	864 725	696 796	1 013 643	767 552
Payments received in advance	189 396	195 112	189 396	195 112
Accrued leave pay	117 501	109 455	117 501	109 455
Accrued bonus	18 692	17 430	18 692	17 430
Unallocated Deposits	45 953	56 095	45 953	56 095
Retentions	75 704	67 429	75 704	67 429
	<b>1 311 971</b>	<b>1 142 317</b>	<b>1 460 889</b>	<b>1 213 073</b>

Staff leave accrue to the staff of the municipality on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

Payments received in advance are municipal debtors who have credit balances at the reporting date. This is due to various reasons which include clearances paid on properties awaiting transfer at the deeds office.

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA, except when the liability is disputed. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has policies in place to ensure that all payables are paid within the credit timeframe.

The management of the municipality is of the opinion that the carrying value of payables from exchange transactions approximate their fair values.

### 22. VAT payable

VAT payable	407 796	403 493	406 534	402 546
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The VAT payable consists of:

VAT Accrual	405 696	403 493	404 434	402 546
VAT Payable to SARS	2 100	0	2100	0
Total	<b>407 796</b>	<b>403 493</b>	<b>406 534</b>	<b>402 546</b>

The VAT accrual does not represent amounts to be paid, but rather amounts that are associated with transactions that are yet to be settled. There is no money to be paid to SARS for these amounts as yet.

VAT is payable on the receipt basis. Only once payment is received from debtors, VAT is paid over to SARS. No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

### 23. Consumer deposits

Electricity and Water	72 404	67 952	72 404	67 952
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<b>Guarantees</b>				
Guarantees held in lieu of electricity and water	28 275	27 763	28 275	27 763

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 23. Consumer deposits (continued)

Consumer Deposit Recon	Economic entity		Controlling entity	
Figures in Rand Thousand	2025	2024	2025	2024
Opening Balance Deposits	75 857	72 004	75 857	72 004
Deposits during the year	4 458	3 853	4 458	3 853
Subtotal Deposits	80 315	75 857	80 315	75 857
Sundries and Refunds	(7 911)	(7 905)	(7 911)	(7 905)
<b>Closing Balance</b>	<b>72 404</b>	<b>67 952</b>	<b>72 404</b>	<b>67 952</b>

#### 24. Service charges

Sale of electricity	2 220 885	2 041 077	2 220 885	2 041 077
Sale of water	593 713	528 429	504 847	451 187
Sewerage and sanitation charges	223 917	205 541	223 917	205 541
Refuse removal	193 421	174 195	193 421	174 195
	<b>3 231 936</b>	<b>2 949 242</b>	<b>3 143 070</b>	<b>2 872 000</b>

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

#### 25. Rental of facilities and equipment

Premises	Economic entity		Controlling entity	
Rental Revenue from Halls	2025	2024	2025	2024
Rental Revenue from Buildings	25 188	10 276	25 188	10 276
	<b>26 932</b>	<b>11 502</b>	<b>26 932</b>	<b>11 502</b>

#### Facilities and equipment

Rental Revenue from Amenities	23	34	23	34
Rental Revenue from Other Facilities	214	184	214	184
	<b>237</b>	<b>218</b>	<b>237</b>	<b>218</b>
	<b>27 169</b>	<b>11 720</b>	<b>27 169</b>	<b>11 720</b>

#### 26. Other income

Building Plan Fees	514	1 359	514	1 359
Application for clearance certificate	1	3	1	3
Reconnection fees	2 217	1 847	2 217	1 847
Cemetery Fees	1 319	1 091	1 319	1 091
Advertising Signs	1 150	721	1 150	721
Photocopies	33	24	33	24
Early settlement SALGA	533	-	533	-
Surplus cash	682	355	682	355
Sundry Income	22 475	15 335	22 475	15 335
Swimming pool fees	3	5	3	5
Parking Fees	137	-	137	-
	<b>29 064</b>	<b>20 740</b>	<b>29 064</b>	<b>20 740</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>27. Interest received - investment</b>				
<b>Interest revenue</b>				
Investments	91 817	89 472	51 048	53 560
Finance leases	-	-	42	91
Early loan settlement	-	287	-	287
	<b>91 817</b>	<b>89 759</b>	<b>51 090</b>	<b>53 938</b>

### 28. Property rates

#### Rates received

Residential	232 209	221 891	232 209	221 891
Commercial	306 621	275 057	306 621	275 057
State	8 486	5 474	8 486	5 474
Agriculture	19 013	18 167	19 013	18 167
	<b>566 329</b>	<b>520 589</b>	<b>566 329</b>	<b>520 589</b>

#### Valuations

Property Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect on 1 July 2021. Supplementary valuations are processed on a monthly basis to take into account changes to individual property values due to alterations and subdivisions.

Interim valuations are processed on an continuous basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied monthly on property owners and are payable the end of each month. Interest is levied at a rate determined by council on outstanding rates amounts.

### 29. Transfers and subsidies

#### Other subsidies

Community Projects	1 899	737	1 899	737
RLM Sports Club	22	-	22	-
	<b>1 921</b>	<b>737</b>	<b>1 921</b>	<b>737</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
	2025	2024	2025	2024
Figures in Rand thousand				
<b>30. Government grants and subsidies</b>				
<b>Unconditional</b>				
Equitable share	1 150 861	1 072 059	1 150 861	1 072 059
<b>Conditional</b>				
National: Municipal Infrastructure Grant (MIG)	277 434	216 982	277 434	216 982
National: Neighbourhood Development Programme (NDP)	6 532	824	6 532	824
National: Energy Efficiency and Demand-Side Management Grant (EEDG)	5 200	4 596	5 200	4 596
National Public Transport Network Grant (PTNG)	512 763	568 603	512 763	568 603
National: Financial Management Grant (FMG)	1 800	1 700	1 800	1 700
National: Expanded Public Works Programme (EPWP)	1 572	2 045	1 572	2 045
Provincial: Department of Sports, Arts and Culture (DSAC Library)	1 513	1 719	1 513	1 719
National: Water Services Infrastructure Grant (WSIG)	33 239	65 000	33 239	65 000
National: Integrated National Electrification Program (INEP)	20 971	31 000	20 971	31 000
	<b>861 024</b>	<b>892 469</b>	<b>861 024</b>	<b>892 469</b>
	<b>2 011 885</b>	<b>1 964 528</b>	<b>2 011 885</b>	<b>1 964 528</b>

#### Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to community members. In terms of the allocation made by DPLG the funds are also utilised to enable the municipality to execute its functions as the local authority.

##### National: Financial Management Grant (FMG Grant)

Current-year receipts	1 800	1 700	1 800	1 700
Conditions met - transferred to revenue	(1 800)	(1 700)	(1 800)	(1 700)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 18).

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms required by the Municipal Finance Management Act (MFMA), 2003.

##### National: Municipal Infrastructure Grant (MIG Funds)

Balance unspent at beginning of year	54 749	-	54 749	-
Current-year receipts	261 342	271 731	261 342	271 731
Conditions met - transferred to revenue	(277 434)	(216 982)	(277 434)	(216 982)
	<b>38 657</b>	<b>54 749</b>	<b>38 657</b>	<b>54 749</b>

Conditions still to be met - remain liabilities (see note 18).

The Municipal Infrastructure Grant (MIG) was allocated for the construction of roads, basic sewerage and water infrastructure as part of the upgrading of poor households, micro enterprises and social institutions, to provide for new, rehabilitation and upgrading of municipal infrastructure.

##### Provincial: Department of Sports, Arts and Culture Grant (DSAC Library)

Balance unspent at beginning of year	317	252	317	252
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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>30. Government grants and subsidies (continued)</b>				
Current-year receipts	1 864	1 784	1 864	1 784
Conditions met - transferred to revenue	(1 513)	(1 719)	(1 513)	(1 719)
	<b>668</b>	<b>317</b>	<b>668</b>	<b>317</b>

Conditions still to be met - remain liabilities (see note 18).

The grant was received to transform rural and urban community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

#### Provincial: Expanded Public Works Programme Grant (EPWP)

Balance unspent at beginning of year	151	-	151	-
Current-year receipts	1 572	2 196	1 572	2 196
Conditions met - transferred to revenue	(1 572)	(2 045)	(1 572)	(2 045)
Roll over not allowed	(151)	-	(151)	-
	<b>-</b>	<b>151</b>	<b>-</b>	<b>151</b>

Conditions still to be met - remain liabilities (see note 18).

The grant was used to incentivise provincial departments to increase job creation efforts in infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with EPWP guidelines.

#### National: Energy Efficiency and Demand-Side Management Grant

Balance unspent at beginning of year	404	-	404	-
Current-year receipts	5 200	5 000	5 200	5 000
Conditions met - transferred to revenue	(5 200)	(4 596)	(5 200)	(4 596)
Roll over not allowed	(404)	-	(404)	-
	<b>-</b>	<b>404</b>	<b>-</b>	<b>404</b>

Conditions still to be met - remain liabilities (see note 18).

The grant funds selected municipalities to implement energy-efficiency projects, with a focus on public lighting and energy efficient municipal infrastructure.

#### National: Public Transport Network Grant (PTNG)

Current-year receipts	512 763	568 603	512 763	568 603
Conditions met - transferred to revenue	(512 763)	(568 603)	(512 763)	(568 603)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 18).

#### National: WSIG

Balance unspent at beginning of year	-	36 327	-	36 327
Current-year receipts	45 000	65 000	45 000	65 000
Conditions met - transferred to revenue	(33 239)	(65 000)	(33 239)	(65 000)
Roll over not allowed	-	(36 327)	-	(36 327)
	<b>11 761</b>	<b>-</b>	<b>11 761</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 18).

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>30. Government grants and subsidies (continued)</b>				
<b>National: Integrated National Electrification Programme (INEP)</b>				
Balance unspent at beginning of year	-	13	-	13
Current-year receipts	20 971	31 000	20 971	31 000
Conditions met - transferred to revenue	(20 971)	(31 000)	(20 971)	(31 000)
Roll over not allowed	-	(13)	-	(13)
	-	-	-	-

Conditions still to be met - remain liabilities (see note 18).

#### National: Neighbourhood Development Programme (NDP)

Balance unspent at beginning of year	4 176	209	4 176	209
Current-year receipts	10 580	5 000	10 580	5 000
Conditions met - transferred to revenue	(6 532)	(824)	(6 532)	(824)
Roll over not allowed	-	(209)	-	(209)
	8 224	4 176	8 224	4 176

Conditions still to be met - remain liabilities (see note 18).

#### 31. Public contributions and donations

Public contributions and donations	137 307	69 424	137 307	69 424
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Public contributions and donations comprise:

Housing Projects by North West Department of Human Settlement	131 928	61 379	131 928	61 379
Donations in Kind	<u>5 379</u>	<u>8 045</u>	<u>5 379</u>	<u>8 045</u>
<b>Total</b>	<b>137 307</b>	<b>69 424</b>	<b>137 307</b>	<b>69 424</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>32. Employee related costs</b>				
Basic	548 693	522 141	545 669	519 338
Bonus	38 323	39 884	38 323	39 884
Medical aid - company contributions	54 682	51 815	54 682	51 815
UIF	3 828	3 827	3 828	3 827
WCA	5 169	4 668	5 169	4 668
SDL	7 940	7 570	7 940	7 570
Pension	98 349	95 053	98 349	95 053
Industrial Council Levy	466	277	466	277
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	53 904	57 507	53 904	57 507
Housing benefits and allowances	4 488	2 615	4 488	2 615
Overtime payment	19 959	14 802	19 959	14 802
Other Employee Cost	60 777	51 373	60 777	51 373
Defined Benefit Plan Expense	350	2 686	350	2 686
	<b>896 928</b>	<b>854 218</b>	<b>893 904</b>	<b>851 415</b>
<b>Remuneration of Municipal Manager</b>				
Annual Remuneration	1 608	1 253	1 608	1 253
Acting Allowance	-	63	-	63
Contributions to UIF, Medical and Pension Funds	266	14	266	14
	<b>1 874</b>	<b>1 330</b>	<b>1 874</b>	<b>1 330</b>
<b>In-kind benefits</b>				
The Municipal Manager has use of a Council owned vehicle for official duties and full-time bodyguards.				
<b>Remuneration of Chief Financial Officer</b>				
Annual Remuneration	915	-	915	-
Acting Allowance	34	236	34	236
Contributions to UIF, Medical and Pension Funds	207	-	207	-
	<b>1 156</b>	<b>236</b>	<b>1 156</b>	<b>236</b>
<b>Remuneration of Director: Community Development</b>				
Annual Remuneration	931	-	931	-
Car Allowance	180	-	180	-
Acting Allowance	16	121	16	121
Contributions to UIF, Medical and Pension Funds	13	-	13	-
	<b>1 140</b>	<b>121</b>	<b>1 140</b>	<b>121</b>
<b>Remuneration of Director: Corporate Services</b>				
Annual Remuneration	829	-	829	-
Car Allowance	80	-	80	-
Acting Allowance	24	132	24	132
Contributions to UIF, Medical and Pension Funds	94	-	94	-
	<b>1 027</b>	<b>132</b>	<b>1 027</b>	<b>132</b>
<b>Remuneration of Director: Local Economic Development</b>				
Annual Remuneration	1 063	-	1 063	-

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>32. Employee related costs (continued)</b>				
Acting Allowance	17	126	17	126
Contributions to UIF, Medical and Pension Funds	60	-	60	-
	<b>1 140</b>	<b>126</b>	<b>1 140</b>	<b>126</b>
<b>Remuneration of Director: Planning and Human Settlements</b>				
Annual Remuneration	913	-	913	-
Car Allowance	120	-	120	-
Acting Allowance	16	82	16	82
Contributions to UIF, Medical and Pension Funds	51	-	51	-
	<b>1 100</b>	<b>82</b>	<b>1 100</b>	<b>82</b>
<b>Remuneration of Director: Technical and Infrastructure Services</b>				
Annual Remuneration	869	-	869	-
Car Allowance	90	-	90	-
Acting Allowance	16	156	16	156
Contributions to UIF, Medical and Pension Funds	165	-	165	-
	<b>1 140</b>	<b>156</b>	<b>1 140</b>	<b>156</b>
<b>Remuneration of Director: Public Safety</b>				
Annual Remuneration	920	1 201	920	1 201
Car Allowance	-	247	-	247
Acting Allowance	28	59	28	59
Contributions to UIF, Medical and Pension Funds	200	74	200	74
	<b>1 148</b>	<b>1 581</b>	<b>1 148</b>	<b>1 581</b>
<b>Remuneration of Director: Roads and Transport</b>				
Annual Remuneration	903	-	903	-
Car Allowance	160	-	160	-
Acting Allowance	16	130	16	130
Contributions to UIF, Medical and Pension Funds	62	-	62	-
	<b>1 141</b>	<b>130</b>	<b>1 141</b>	<b>130</b>
<b>Total employee related cost</b>	<b>-</b>	<b>907 794</b>	<b>858 112</b>	<b>904 770</b>
				<b>855 309</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>33. Remuneration of councillors</b>				
Executive Major	1 549	1 610	1 549	1 610
Speaker	1 262	1 098	1 262	1 098
Mayoral Committee Members	12 763	13 819	12 763	13 819
Chief Whip	1 210	1 262	1 210	1 262
Councillors	39 887	39 780	39 887	39 780
Cllr Company Contributions to UIF, Medical and Pension Funds	6 219	7 714	6 219	7 714
	<b>62 890</b>	<b>65 283</b>	<b>62 890</b>	<b>65 283</b>
<b>In-kind benefits</b>				
The Executive Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.				
The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor, Speaker and Chief Whip has use of a Council owned vehicle for official duties and full-time bodyguards.				
The salaries, allowances and benefits of Councillors as disclosed in this note are within the upper limits of the framework envisaged in Section 219 of the Constitution and read with the Remuneration of Public Officer Bearers Act.				
<b>34. Depreciation and amortisation</b>				
Property, plant and equipment	378 419	394 801	329 373	342 953
Investment property	6 964	7 231	6 964	7 231
Intangible assets	-	23	-	23
	<b>385 383</b>	<b>402 055</b>	<b>336 337</b>	<b>350 207</b>
<b>35. Impairment of assets</b>				
<b>Impairments</b>				
Property, plant and equipment	23 729	22 960	23 729	17 374
With the assessment of the useful life and inspection of the asset conditions impairments were recognised.				
Inventories	985	225	985	225
During the inventory count obsolete stock were identified and provided for.				
Consumer Debtors	1 230 330	1 099 634	1 230 330	1 099 634
Recoverability of receivables from exchange and non-exchange transactions were assessed and provision for impairment were identified.				
Receivables from non-exchange revenue	4 719	9 275	4 719	9 275
Recoverability of IGRAP receivables were assessed and provision for impairment were identified.				
	<b>1 259 763</b>	<b>1 132 094</b>	<b>1 259 763</b>	<b>1 126 508</b>
<b>36. Finance costs</b>				
Employee benefits	28 612	26 715	28 612	26 715
Finance leases	1 122	562	1 122	562
Loans and Payables at amortised cost	22 749	26 522	22 749	26 522
Late payment of tax	-	89	-	89
RRT Operators	19 854	25 142	19 854	25 142
Eskom	-	17	-	17
	<b>72 337</b>	<b>79 047</b>	<b>72 337</b>	<b>79 047</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>37. Bulk purchases</b>				
Electricity	2 064 064	1 844 264	2 064 064	1 844 264
Water	477 853	481 461	676 134	628 023
	<b>2 541 917</b>	<b>2 325 725</b>	<b>2 740 198</b>	<b>2 472 287</b>
<b>38. Contracted services</b>				
Training	120	-	120	-
Security services	43 004	41 492	43 004	41 492
Valuation services	3 891	4 050	3 891	4 050
Waste Removal	75 271	76 129	75 271	76 129
RRT Operator Compensation	251 874	96 866	251 874	96 866
Accounting and Auditing	232	422	232	422
Agriculture	235	1 367	235	1 367
Air Pollution	826	549	826	549
Audit Committee	701	686	701	686
Bus Rapid Transport	25 902	3 837	25 902	3 837
Business and Financial Management	22 766	36 694	22 766	36 694
Disaster Management	14	223	14	223
Enterprise Development	7 796	-	7 796	-
Forensic Investigators	116	234	116	234
Land and Quantity Surveyor	1 426	1 899	1 426	1 899
Legal Fees	47 873	48 737	47 180	48 516
Medical Examinations	94	47	94	47
Project Management	5 163	6 925	5 163	6 925
Meter Management	14 759	20 086	14 759	20 086
Water Quality	-	2 587	-	2 587
Board Member	272	76	272	76
Human Resource Management	1 405	1 112	1 405	1 112
Catering	1 336	403	1 336	403
Electricity Consumption	4 677	6 501	4 677	6 501
Greening and Grass Cutting	3 021	6 755	3 021	6 755
Insects and Weed	187	188	187	188
Occupational Health and Safety	181	174	181	174
Bus Operating Service	170 743	116 803	170 743	116 803
Repairs and Maintenance	217 267	183 567	186 724	161 406
Drivers Licence Cards	520	-	520	-
Electrical	2 597	-	2 597	-
	<b>904 269</b>	<b>658 409</b>	<b>873 033</b>	<b>636 027</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>39. General expenses</b>				
Advertising	1 829	1 775	1 829	1 775
Auditors remuneration	18 202	16 300	16 408	15 092
Bank charges	1 567	1 408	1 558	1 400
Commission paid	34 288	34 426	34 288	34 426
Consumables	44 544	37 886	44 544	37 886
Corporate Communication	94	508	94	508
Information Technology	87	459	87	459
Entertainment	85	76	85	76
Capacity Building Councillors	246	-	246	-
Hire	26 186	16 045	26 186	16 045
Insurance	19 380	18 904	18 176	17 575
Municipal Services	3 703	1 161	3 703	1 161
Marketing	1 027	777	1 027	777
Contribution for landfill sites	15 382	290	15 382	290
Printing and stationery	8 221	4 450	8 221	4 450
Protective clothing	4 640	1 726	4 640	1 726
Subscriptions and membership fees and levies	10 825	9 986	10 825	9 986
Telephone	6 990	6 108	6 978	6 108
Transport	45 048	52 855	45 048	52 855
Training	927	33	867	33
Travelling Subsistence	2 998	1 660	2 998	1 660
Assets written off	17 162	19 296	17 162	19 296
Water	160 699	129 671	-	-
Consumption expenditure	246	2 138	246	2 138
Strategic Planning	4 150	3 733	-	-
License fees	7 038	10 112	6 695	9 655
Ward committee	7 282	7 167	7 282	7 165
Recruitment Fees	-	123	-	-
Other expenses	25 200	18 158	25 200	18 158
	<b>468 046</b>	<b>397 231</b>	<b>299 775</b>	<b>260 700</b>

The amounts disclosed above for Other Expenses are in respect of costs incurred in the general management of the municipality and not direct attributable to a specific service or class of expense.

### 40. Auditors' remuneration

Fees	18 202	16 300	16 408	15 092
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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>41. Cash generated from operations</b>				
Surplus	209 136	445 879	132 839	405 381
<b>Adjustments for:</b>				
Depreciation and amortisation	385 383	402 055	336 337	350 207
Gain on disposal of assets	-	(23)	-	-
Finance costs	23 871	27 084	23 871	27 084
Impairment loss	1 259 763	1 132 094	1 259 763	1 126 508
Movements in operating lease assets	-	9	-	9
Movements in employee benefit obligations	36 813	23 638	36 813	23 638
Movements in provisions	9 872	1 993	15 383	290
Interest Income	(462 858)	(648 890)	(462 858)	(648 890)
Public contributions and donations	(137 307)	(69 424)	(137 307)	(69 424)
Asset Disposals	17 161	19 312	17 161	19 312
<b>Changes in working capital:</b>				
Inventory	105	1 520	105	1 520
Receivables from exchange and non-exchange transactions	(925 882)	(577 094)	(917 807)	(573 788)
Payables from Exchange transactions and other payables	185 742	(94 956)	263 589	(150 242)
	<b>601 799</b>	<b>663 197</b>	<b>567 889</b>	<b>511 605</b>

### 42. Financial instruments disclosure

#### Categories of financial instruments

##### Economic entity - 2025

###### Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	278 308	278 308
Cash and cash equivalents	1 170 852	-	1 170 852
Investments	1 172	-	1 172
Guarantees	28 275	-	28 275
	<b>1 200 299</b>	<b>278 308</b>	<b>1 478 607</b>

###### Financial liabilities

	At amortised cost	At cost	Total
Other financial liabilities	201 201	-	201 201
Payables from exchange transactions (Excluding leave and bonus accruals)	-	1 175 776	1 175 776
Consumer Deposits	72 404	-	72 404
Finance Lease Obligation	31 505	-	31 505
	<b>305 110</b>	<b>1 175 776</b>	<b>1 480 886</b>

##### Economic entity - 2024

###### Financial assets

	At fair value	At amortised cost	Total
Receivables from exchange transactions	-	161 573	161 573
Cash and cash equivalents	1 056 518	-	1 056 518

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand thousand	2025	2024	2025	2024
<b>42. Financial instruments disclosure (continued)</b>				
Investments	1 074	-	1 074	
Guarantees	27 763	-	27 763	
	<b>1 085 355</b>	<b>161 573</b>	<b>1 246 928</b>	
<b>Financial liabilities</b>				
	<b>At amortised cost</b>	<b>At cost</b>	<b>Total</b>	
Other financial liabilities	236 897	-	236 897	
Payables from exchange transactions (excluding leave and bonus accruals)	-	1 015 432	1 015 432	
Consumer Deposits	67 952	-	67 952	
	<b>304 849</b>	<b>1 015 432</b>	<b>1 320 281</b>	
<b>Controlling Entity - 2025</b>				
<b>Financial assets</b>				
	<b>At fair value</b>	<b>At amortised cost</b>	<b>At cost</b>	<b>Total</b>
Receivables from exchange transactions	-	249 351	-	249 351
Cash and cash equivalents	642 031	-	-	642 031
Investments	1 172	-	1	1 173
Guarantees	28 275	-	-	28 275
	<b>671 478</b>	<b>249 351</b>	<b>1</b>	<b>920 830</b>
<b>Financial liabilities</b>				
	<b>At amortised cost</b>	<b>At cost</b>	<b>Total</b>	
Other financial liabilities	201 201	-	201 201	
Payables from exchange transactions (Excluding leave and bonus accruals)	-	1 324 694	1 324 694	
Consumer Deposits	72 404	-	72 404	
Finance Lease Obligation	31 505	-	31 505	
	<b>305 110</b>	<b>1 324 694</b>	<b>1 629 804</b>	
<b>Controlling Entity - 2024</b>				
<b>Financial assets</b>				
	<b>At fair value</b>	<b>At amortised cost</b>	<b>At cost</b>	<b>Total</b>
Receivables from exchange transactions	-	140 189	-	140 189
Cash and cash equivalents	539 441	-	-	539 441
Investments	1 074	-	1	1 075
Finance lease receivables	-	502	-	502
Guarantees	27 763	-	-	27 763
	<b>568 278</b>	<b>140 691</b>	<b>1</b>	<b>708 970</b>
<b>Financial liabilities</b>				
	<b>At amortised cost</b>	<b>At cost</b>	<b>Total</b>	

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>42. Financial instruments disclosure (continued)</b>				
Other financial liabilities		236 897	-	236 897
Payables from exchange transactions (excluding leave and bonus accruals)		-	1 086 188	1 086 188
Consumer Deposits	67 952	-	-	67 952
	<b>304 849</b>	<b>1 086 188</b>	<b>1 391 037</b>	

#### Derivative financial instruments and hedging information

Cash and cash equivalents and investments are measured at quoted prices (unadjusted) in active markets for identical assets or liabilities. (level 1) Guarantees are measured at inputs other than quoted market prices. (level 2)

#### Financial Liabilities Maturity Analysis

30 June 2024 - Economic entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	35 696	39 385	124 294	37 522	236 897
Payables from exchange transactions (Excluding leave and bonus accruals)	1 015 432	-	-	-	1 015 432
Consumer deposits	67 952	-	-	-	67 952
	<b>1 119 080</b>	<b>39 385</b>	<b>124 294</b>	<b>37 522</b>	<b>1 320 281</b>
30 June 2025 - Economic entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	39 385	43 395	118 421	-	201 201
Payables from exchange transactions (Excluding leave and bonus accruals)	1 175 776	-	-	-	1 175 776
Consumer deposits	72 404	-	-	-	72 404
Finance lease obligation	10 845	11 982	8 678	-	31 505
	<b>1 298 410</b>	<b>55 377</b>	<b>127 099</b>	<b>-</b>	<b>1 480 886</b>
30 June 2024 - Controlling entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	35 696	39 385	124 294	37 522	236 897
Payables from exchange transactions (Excluding leave and bonus accruals)	1 086 188	-	-	-	1 086 188
Consumer deposits	67 952	-	-	-	67 952
	<b>1 189 836</b>	<b>39 385</b>	<b>124 294</b>	<b>37 522</b>	<b>1 391 037</b>
30 June 2025 - Controlling entity	< 1 year	1 to 2 years	2 to 5 years	5+ years	Total
Other financial liabilities	39 385	43 395	118 421	-	201 201
Payables from exchange transactions (Excluding leave and bonus accruals)	1 324 694	-	-	-	1 324 694
Consumer deposits	72 404	-	-	-	72 404
Finance lease obligation	10 845	11 982	8 678	-	31 505
	<b>1 447 328</b>	<b>55 377</b>	<b>127 099</b>	<b>-</b>	<b>1 629 804</b>

#### 43. Commitments

##### Commitments in respect of Capital Expenditure

Already contracted for but not provided for	181 786	332 143	181 628	331 032
• Approved and contracted for				
<b>Total capital commitments</b>	<b>181 786</b>	<b>332 143</b>	<b>181 628</b>	<b>331 032</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 44. Contingencies

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
Bonakude Consulting (Pty) Ltd. // RLM Case No. 1053/19. Claim for payment for consulting services which were rendered to RLM per the SLA that was concluded.	11 451	11 451	11 451	11 451
Reonet (Pty) Ltd. T/a Reonet Utility // RLM. Non-payment of services rendered –Automated meter reading water demand management programme	416	416	416	416
Bigen Africa Services (Pty) Ltd // RLM. Claim for non-payment of rendered professional roads and stormwater services rendered.	8 928	8 928	8 928	8 928
Eritha Door and Windows // RLM. Claim against RLM for outstanding amount for Cession agreement concluded with RLM (as subcontractor) of Makgothamishe. The Municipality cancelled the agreement with the main contractor because of poor performance	6 586	6 586	6 586	6 586
Mmela Investment Holdings (Pty) Ltd // RLM. Issued summons for claiming damages based on the grounds of cancellation of their appointment as per the Bid document.	651 958	651 958	651 958	651 958
Ian Phillip Muller / RLM. Claim for personal injuries suffered as a result of motor vehicle accident in which the Applicant alleges failure of legal duty by the municipality to keep proper maintenance of the road at or near Watsonia Avenue, Geelhout Park, Rustenburg.	1 124	1 124	1 124	1 124
Vesta//RLM. Court Application by RLM to review the contract as invalid, unlawful and unconstitutional. Various urgent interlocutory applications brought to restore and keep access to Phoenix accounting system.	24 962	24 962	24 962	24 962
RLM/ Makgotamishe. RLM has been issued with summons for payment.	71 763	71 763	71 763	71 763
Frans Lourens Rootman and Another // RLM and Executive Mayor. Claim in respect of the alleged Defamation of Character.	1 307	1 307	1 307	1 307
RLM / Novel Enterprises. Application for payment of the outstanding amounts for the supply of water tankers in various areas in Rustenburg.	1 892	1 892	1 892	1 892
Boffin & Fundi (PTY) LTD / RLM. Claim in respect of services rendered to conduct an audit on all properties within the area of jurisdiction of RLM to reconcile with the billings system of RLM.	-	2 641	-	2 641
Aecom SA (Pty) Ltd / RLM. Claim for payment of professional service rendered –Waste disposal transfer station	6 818	6 818	6 818	6 818
Gabtu Project Management and Construction CC / RLM. Review and setting aside of the tender and claim for damages.	1 288	1 288	1 288	1 288
Bogadi Gloria Thekwe and others / Ernst Dinale, RLM and Others. Application for claim of damages in respect of the property known as Erf. 2025 Geelhoutpark Ext 6, which is alleged to have extensive domestic refuse and therefore became unsuitable for residential purposes.	-	825	-	825

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>44. Contingencies (continued)</b>				
Waterlink Warehouse (PTY) LTD // RLM – CASE NO: 106/2016. Water linkWarehouse (Pty) Ltd had issued Summon against the Defendant (Rustenburg LocalMunicipality) claiming for outstanding payment for the service rendered. The Plaintiff istherefore now claiming the following from the Defendant:		-	1 787	-
Crystal Lagoon Investments 43 CC // RLM. Application for a refund that was paidunder protest in order to obtain Clearance Certificate.	384	384	384	384
Geontsi // RLM. A claim in respect of the design, construction and monitoring of lowcosthousing at Bethanie Phase 2, Mathopestad Phase 2 and Boitekong Ext 8.	20 174	20 174	20 174	20 174
SAMWU obo (Mfolwe, Mongae, Lephogole)/RLM: Unfair Dismissal	11 760	12 230	11 760	12 230
K Khule (unfair suspension) / Rustenburg Local Municipality. This is an application toreview and set aside an arbitration award issued by the Commissioner in favour ofMr Khule in respect of an alleged unfair suspension dispute	206	-	206	-
Telkom SA SOC Limited // RLM. Claim for damaged underground electroniccommunications facilities at various areas	281	281	281	281
Nkululeko Nkomo // RLM. Claim for matrimonial loss pursuant to refusal by RLMSecurity Officer to avail the facility booked for music festival event.	1 100	1 100	1 100	1 100
Thabane Motors / RLM. The plaintiff claims interest and costs against the RLM inrespect of unpaid invoices for repairs and maintenance of the Municipality fleet	11 900	11 900	11 900	11 900
RLM / Vega Turkey Projects. Claim for services rendered.	826	826	826	826
Legoa Mokotsoa / minister of Police & Others. Plaintiff claims legal costs for unlawfularrest.	580	580	580	580
RLM / ZIBARRAS & OTHERS OUR REF: CIV 7536. Claim for unlawful arrest anddetention as well as defamation. T he Plaintiff was arrested by the RustenburgLocal M unicipality Law enforcement officers. It was alleged that he was arrested asa result of a warrant of arrest due to outstanding traffic fines.	388	-	388	-
RLM / PAMELA DIKELEDI RUELE & 5 OTHERS OUR REF: CIV 7884. 26-07-2024CASE NO: 467/24. Claim for damages arising from structural damages by t heservice provider	1 800	-	1 800	-
RLM / TUMI JOSIAH MASIKA & ANOTHER OUR REF: CIV 7883. 26-07-2024 CASENO: 4258/24. Claim for damages arising from structural damages by the serviceprovider.	200	-	200	-
RLM / ETERNITY STAR OUR REF: CIV 7937. 14-11-2024 C ASE NO: 789/24. Claimfor the payment of retention provided by GCC.	700	-	700	-
RLM / XABA SCAFFOLDING CC OUR REF: CIV 7857. 31-05-2024 CASE NO: 2126/24.Claim for the return of the property: scaffoldings and loss of income.	6 030	-	6 030	-
RLM / KHULE DESMOND OUR REF: CIV 7936. Claim for defamation and patrimonialloss.	1 450	-	1 450	-
RLM / VAN DER WESTHUIZEN OUR REF: CIV 6878. Overbilling of Municipal WaterServices by the Municipality	119	-	119	-

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>44. Contingencies (continued)</b>				
Waterlink Warehouse (PTY) LTD // RLM – CASE NO: 106/2016. Water linkWarehouse (Pty) Ltd had issued Summon against the Defendant (Rustenburg LocalMunicipality) claiming for outstanding payment for the service rendered. The Plaintiff istherefore now claiming the following from the Defendant:		-	1 787	-
Crystal Lagoon Investments 43 CC // RLM. Application for a refund that was paidunder protest in order to obtain Clearance Certificate.	384	384	384	384
Geontsi // RLM. A claim in respect of the design, construction and monitoring of lowcosthousing at Bethanie Phase 2, Mathopestad Phase 2 and Boitekong Ext 8.	20 174	20 174	20 174	20 174
SAMWU obo (Mfolwe, Mongae, Lephogole)/RLM: Unfair Dismissal	11 760	12 230	11 760	12 230
K Khule (unfair suspension) / Rustenburg Local Municipality. This is an application toreview and set aside an arbitration award issued by the Commissioner in favour ofMr Khule in respect of an alleged unfair suspension dispute	206	-	206	-
Telkom SA SOC Limited // RLM. Claim for damaged underground electroniccommunications facilities at various areas	281	281	281	281
Nkululeko Nkomo // RLM. Claim for matrimonial loss pursuant to refusal by RLMSecurity Officer to avail the facility booked for music festival event.	1 100	1 100	1 100	1 100
Thabane Motors / RLM. The plaintiff claims interest and costs against the RLM inrespect of unpaid invoices for repairs and maintenance of the Municipality fleet	11 900	11 900	11 900	11 900
RLM / Vega Turkey Projects. Claim for services rendered.	826	826	826	826
Legoa Mokotsoa / minister of Police & Others. Plaintiff claims legal costs for unlawfularrest.	580	580	580	580
RLM / ZIBARRAS & OTHERS OUR REF: CIV 7536. Claim for unlawful arrest anddetention as well as defamation. T he Plaintiff was arrested by the RustenburgLocal M unicipality Law enforcement officers. It was alleged that he was arrested asa result of a warrant of arrest due to outstanding traffic fines.	388	-	388	-
RLM / PAMELA DIKELEDI RUELE & 5 OTHERS OUR REF: CIV 7884. 26-07-2024CASE NO: 467/24. Claim for damages arising from structural damages by t heservice provider	1 800	-	1 800	-
RLM / TUMI JOSIAH MASIKA & ANOTHER OUR REF: CIV 7883. 26-07-2024 CASENO: 4258/24. Claim for damages arising from structural damages by the serviceprovider.	200	-	200	-
RLM / ETERNITY STAR OUR REF: CIV 7937. 14-11-2024 C ASE NO: 789/24. Claimfor the payment of retention provided by GCC.	700	-	700	-
RLM / XABA SCAFFOLDING CC OUR REF: CIV 7857. 31-05-2024 CASE NO: 2126/24.Claim for the return of the property: scaffoldings and loss of income.	6 030	-	6 030	-
RLM / KHULE DESMOND OUR REF: CIV 7936. Claim for defamation and patrimonialloss.	1 450	-	1 450	-
RLM / VAN DER WESTHUIZEN OUR REF: CIV 6878. Overbilling of Municipal WaterServices by the Municipality	119	-	119	-

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>44. Contingencies (continued)</b>				
Ntja Paulus Sello / RLM. Member of the public claim for loss of income	86	86	86	86
RUS120-23/RLM // PITSO MABELENG. Labour Court Review Unfair LabourPractice	216	-	216	-
RUS108/MAT372 RLM // CONRAD TAUKUBONG. Labour Court review Unfair LabourPractice	101	-	101	-
Stokkie Dorothy Moleme N.O/ RLM (RUS-055). Claim for arrear salaries by the executrix of the estate of the late employee, Mr Zolile Lesley Moleme.	2 307	-	2 307	-
MMT Projects - Mosia motubatse Rental & Projects CC / RLM. Claim for servicesrendered.	4 533	4 533	4 533	4 533
KSP Group Pty Ltd / RLM. Claim for enforcement of contract and service levelagreement.	148 538	148 538	148 538	148 538
RISE NOW TRADING 34 Pty Ltd R 478 / RLM. Claim for enforcement of contract andservice level agreement	59 594	59 594	59 594	59 594
UMKHONTO PROFESSIONAL SERVICES PTY LTD R 479 / RLM. Claim forenforcement of contract and service level agreement	3 351	3 351	3 351	3 351
RWA Plant Hire / RLM. Claim against municipality based on alledged payment of trucklicense.	40	40	40	40
Orlando Ignatius ntsala / RLM. Claim for upaid invoices. Mabaso ZA / RLM & Minister of Police. Action for unlawfull arrest and detention.	1 241 400	1 241 400	1 241 400	1 241 400
Sepumo Primary Cooperative / RLM. Plaintiff issued summons against RLM citingnonpayment for services rendered.	578	545	578	545
SMEC South Africa / RLM. Plaintiff issued summons for payment of servicesrendered.	365	344	365	344
Nthabiseng OBO Minor Child / RLM. Summons issued against RLM for damageassuffered by minor child as a result of electric box which was left naked.	2 850	2 850	2 850	2 850
Losaba Services CC / RLM. Claim in respect of services rendered.	1 382	1 382	1 382	1 382
UMSO CONSTRUCTION PTY LTD VS RUSTENBURG LOCAL MUNICIPALITY.Summons issued in respect of Contract RLM/MM/0063/2015/16 for services for DetailDesign and Construction of the RTT Contract A, CBD North Section.	19 244	19 244	19 244	19 244
RLM / MWENZI SERVICE STATION. DAMAGES RUSTENBURG LOCAL MUNICIPALITY // REUBEN RINGETHA KUBAYI. 18November 2019 & NW/RUS/RC469/2019	14 000 440	14 000 440	14 000 440	14 000 440
Bonakude Consulting (Pty) Ltd. // RLM. Bonakude have issued a combined summonsfor: Payment; Interest thereon; Cost of suit; Other or alternative relief	5 905	5 905	5 905	5 905
Lele William Kgatshe//Mphoentle Halenyane and RLM case no. 247/22. The plaintiffissued a summons for: Payment; Interest in temporae morae; Costs of suits; Furtherand/or alternative relief	6 025	6 025	6 025	6 025
MAMPEPU CONSTRUCTION AND PROJECTS // RUSTENBURG LOCALMUNICIPALITY. Mampepu issued summons against RLM for services rendered fordelivery of water through water tanks.	-	31 916	-	31 916
SALBC//RLM .The matter is about agency fees where the bargaining council isaccused of failing to deduct agency fees from the employees to the bargaining council.	548	548	548	548

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>44. Contingencies (continued)</b>				
KHABOKEDI WASTE MANAGEMENT // RLM. Claim against RLM for monies owed emanating from goods and/or services rendered to RLM	7 519	7 020	7 519	7 020
DROP DOT (PTY) LTD // RLM & 3 OTHERS. Application brought against RLM for payment of outstanding invoices	3 534	3 302	3 534	3 302
ABECO TANKS (PTY) LTD // SEFAKO ENGINEERING & RLM. Amounts due for services rendered.	3 826	3 588	3 826	3 588
SMEC South Africa / RLM. Payment of outstanding invoices	-	1 505	-	1 505
MADHLOPA & THENGA INC. / RLM. The Plaintiff claims from RLM in terms of a collections agreement concluded between the parties. Plaintiff entitled to a % of what was collected by them on instructions of Plaintiff.	448	448	448	448
We assess that the costs order in the High Court, Pretoria, Case No. 2022-047351 - Kumbe v RLM & Rustenburg Water Services Trust proceedings creates a potential obligation for the Trust to contribute to the applicant's costs if the proceedings are revived and costs are taxed and enforced. In light of the current dormancy of the matter and the reasonable prospect of a non-punitive outcome (including the possibility of an agreed position that each party bears its own costs), we regard the risk of the Trust ultimately bearing a material share of costs as possible, but not probable. We consider it appropriate to treat this as a contingent cost exposure rather than as a firm obligation in a determinable amount at this stage.	450	450	-	-
Luzerne New Bone Holdings T/A Rustenburg Local Municipality & Another. CASENO:303/2023. Summonses issued for professional services rendered.	3 643	3 643	3 643	3 643
NKS Property Developers (Pty) Ltd // RLM RUS1/0068. Claim of monies for services rendered	2 829	-	2 829	-
ONEROI (PTY) LTD t/a RUSTENBURG SQUARE SPAR. 2818/22. Defamation claim due to a facebook posting	-	1 000	-	1 000
Telkom SA Soc Limited / RLM-(RUS-090-18). Case No: 8144/18. Civil Litigation-Telkom is claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	108	108	108	108
Telkom SA Soc Limited / RLM (RUS-062/17). Case No: 243/17. Civil Litigation-Telkom is claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	29	29	29	29
Telkom SA Soc Limited / RLM-RUS-068/17. Case No.: 101/17. Civil Litigation-Telkom is claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	22	22	22	22
Telkom SA Soc Limited / RLM ( RUS-063/17). Case No: 223/17. Civil Litigation-Telkom is claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	55	55	55	55
Telkom SA SOC Limited / RLM (RUS-064/17). Case No: 223/17. Civil Litigation-Telkom is claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	60	60	60	60

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>44. Contingencies (continued)</b>				
Telkom SA SOC Limited / RLM (RUS-065/17). Case No: 102/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	24	24	24	24
Telkom SA Soc Limited / RLM ( RUS-066/17). Case No: 103/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	33	33	33	33
Telkom SA Soc Limited / RLM ( RUS-067/17). Case No: 231/17. Civil Litigation-Telkomis claiming damages for the cost of repairs of its cables allegedly damaged by the Municipality's employees.	19	19	19	19
MAT130492 GERSON RAMPOLOANE EQUALITY COURT. DISCRIMINATION AND VIOLATION OF RIGHTS TO WATER.	150	150	150	150
Kelly-Jean Shepherd // RLM. Pothole claim	66	66	66	66
MAT132577 ISAAC MONAMODI. Damages for stock confiscated and profit loss	25	-	25	-
Combrink Kgatshe Inc. Plaintiff // RLM Defendant. 18 April 2024 Case No: 1490/24. Summons – Action against the RLM Claim for damages and payment of in the HighCourt of SA North West Division Mahikeng	19 892	19 892	19 892	19 892
AM Consulting (Pty) Ltd // RLM. 20/7/2021 CASE NO: 7 38/2021. Claim for payment of Services rendered.	4 500	4 500	4 500	4 500
JST CONSTRUCTION CC V RUSTENBURG LOCAL MUNICIPALITY. RLM received summons for a claim in respect of construction: extension of the CCTV monitoring unitas per BID No: RLM/0043/2013/14	3 167	3 167	3 167	3 167
	<b>1 168 534</b>	<b>1 191 284</b>	<b>1 168 084</b>	<b>1 190 834</b>

It is not practicable to estimate the level of uncertainty for each case. To assign probability levels or scales to matters under litigation is highly impractical due to the nature of litigation. Management exercises a high level of prudence in disclosing the maximum possible outcome of the contingent liabilities. In applying GRAP 19, the municipality considers all cases except where the possibility of an outflow in settlement is extremely remote. The amounts have been based on the attorney's best estimates of the possible amount payable.

#### Contingent assets

Figures in Rand Thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
RLM/ MAKGOTAMISHE. RLM has instituted summons for payment. Plaintiff has counterclaim. Summons issued and served upon Makgotamishe, Awaiting notice of intention to defend and counterclaim. Action to proceed in the ordinary course. Matter will proceed and will be complex with expert evidence required	15 884	15 884	15 884	15 884
MAT121028 KHABOKEDI WASTE // RLM. Claim against RLM for monies owed emanating from goods and/or services rendered to RLM. Summons received regarding Services Rendered and Counterclaim	34 652	37 857	34 652	37 857
MAT124670 RUSTENBURG PINE INN LODGE // RLM. M303/2020. Notice of Motion received regarding Rates & Taxes	189	189	189	189

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>44. Contingencies (continued)</b>				
S.O. MATSHIDISO CONSTRUCTION AND PROJECTS C.C. (In Liquidation) //RUSTENBURG LOCAL MUNICIPALITY. 15 March 2016 Master Reference: M320/2019. Case Number: 9 236/2016. Commercial matter. The dispute arose on the 4th of October, 2013 from a service level agreement that was concluded between the RLM and S.O. Matshidiso Construction and Projects C.C, for, inter alia, the procurement, supply, storage and transportation of paraffin stoves to the indigents on behalf of the RLM. In March, 2016 S.O. Matshidiso issued summons against the RLM. RLM made a counter claim	37 442	37 442	37 442	37 442
WATERLINK WAREHOUSE (PTY) LTD // RUSTENBURG LOCAL MUNICIPALITY. CASE NO: 302/2016 Commercial matter. The matter arose when the Plaintiff delivered material to the Defendant from time to time upon the specific instance and request. Waterlink Warehouse (Pty) Ltd is deregistered. This has the consequence that the costs order in the first matter and the continuation of the second matter is effectively now at a standstill.	-	547	-	547
RUSTENBURG LOCAL MUNICIPALITY VS ODENDAAL WT. The Collections department issues summons on behalf of the Rustenburg Local Municipality issued summons against Odendaal claiming payment arising from municipal account	103	112	103	112
RLM / KSP Group Pty Ltd. Counter application to review and set aside the tender. RLM pursuing recovery of funds.	87 546	87 546	87 546	87 546
RLM / RISE NOW TRADING 34 Pty Ltd R 478. Counter application to review and set aside the tender. RLM pursuing recovery of funds.	52 645	52 645	52 645	52 645
RLM / UMKHONTO PROFESSIONAL SERVICES PTY LTD R 479. Counter application to review and set aside the tender. RLM pursuing recovery of funds.	52 044	52 044	52 044	52 044
Vesta / RLM. Court Application by RLM to review the contract as invalid, unlawful and unconstitutional. Various urgent interlocutory applications brought to restore and keep access to Phoenix accounting system.	27 053	27 053	27 053	27 053
CMS WATER ENGINEERING CC, THEUNIS JACOBUS EHLLERS N.O.; WILLIAM KGOMOTSO KUMBE N.O. JACEY KRUGER N.O.; VINESH DILSHOOK N.O; AND BOTSHELO ISHMAEL MPETE N.O. "RWST 2017/02 Mechanical and Electrical Works for the Upgrade of the Bospoort Water Treatment Works" by the Rustenburg Local Municipality to CMS Water Engineering CC on the grounds that several mandatory procurement processes were not complied with in terms of section 217 of the Constitution, 1996.	22 689	22 689	22 689	22 689
Luzerne New Bone Holdings T/A Rustenburg Local Municipality & Another. CASE NO: 303/2023. Summons issued for professional services rendered.	3 643	3 643	3 643	3 643
Court order collection of arrears Mampepu Building Construction & Projects CC. 1375/2020. Claim for services rendered (delivery of water via tankers)	-	10 000	-	10 000
<b>Subtotal</b>	<b>333 890</b>	<b>347 651</b>	<b>333 890</b>	<b>347 651</b>

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>44. Contingencies (continued)</b>	333 890	347 651	333 890	347 651

#### 45. Related parties

##### Relationships

Controlled entities

Refer to note 6

Members of key management

Refer to note 32&33

##### Related party balances

**Loan accounts - Owing (to) by related parties**  
Rustenburg Water Services Trust

502

##### Amounts included in Trade receivable (Trade Payable) regarding related parties

Rustenburg Water Services Trust - Water Sales	(173 136)	(85 566)
Rustenburg Water Services Trust - Grant & subsidy	(7 476)	(7 476)

##### Related party transactions

**Interest paid to (received from) related parties**  
Rustenburg Water Services Trust

(42) (91)

**Purchases from (sales to) related parties**  
Rustenburg Water Services Trust

198 281

146 562

The transactions between the Rustenburg Local Municipality and the Rustenburg Water Services Trust is classified as related party transactions. The nature of the relationship is that Rustenburg Local Municipality is the sole beneficiary of the trust and has the right to appoint 4 representatives on the board of trustees.

The internal audit function of the RWST is performed by RLM at no cost to the RWST.

##### Transactions between Trustees, Executive Management and RWST

KG Lebethe - Trustee	89
M Rapoo - Trustee	56
E Scheepers - Trustee	56
P Mayeza - Trustee	40
M Pitsi - CEO	1 809
M Jacobs - CFO	959
	3 009

The transactions between the Trustees and The Rustenburg Water Services Trust is classified as related party transactions. The nature of the relationship is that the Trustees are on the board and thereby has an influence on financial and operating policies of the Trust.

##### Transactions and Balances between ABSA Bank Limited and RWST

Interest received	40 191	35 171	-	-
Bank charges	(9)	(8)	-	-

The transactions between ABSA Bank limited and The Rustenburg Water Services Trust is classified as related party transactions. The nature of the relationship is that ABSA has the right to appoint one representative to the board of Trustees and thereby has an influence on financial and operating policies of the Trust.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

	Economic entity	Controlling entity
Figures in Rand thousand	2025	2024

#### 46. Change in estimate

##### Property, plant and equipment and Investment Property

###### Remaining Useful Life Adjustment (2024 Change in Estimate)

During the review of the remaining useful lives (RUL) of assets, we identified 14 404 assets deemed for adjustment. These assets were identified at the beginning of the reporting period and are either in use with a zero RUL or are expected to depreciate to zero within the next 24 months.

The assets meeting this criterion were adjusted to reflect their condition rating as of year-end.

Adjusting the RUL of an asset is considered a subsequent measurement (as it constitutes a change in estimate). In accordance with GRAP 3, paragraphs 38–40, a change in an accounting estimate may affect only the current period's surplus or deficit or the surplus or deficit of both the current period and future periods.

The table below illustrates the depreciation effect per asset class resulting from the adjustments conducted for the 2023/24 financial year.

Asset Class	Asset Count	Depreciation 23/24 (Before Adjustment)	Current year Depreciation and future prospective depreciation based on revised remaining useful life
Investment Property	1	87	6
Property, plant and equipment	14 403	103 121	33 371
Infrastructure assets	7 447	50 449	16 396
Land and Buildings	168	38 341	12 454
Movable Assets	6 788	14 331	4 521
<b>Grand Total</b>	<b>14 404</b>	<b>103 208</b>	<b>33 378</b>

##### Change in accounting estimate - Rustenburg Water Services Trust Bulk Water Assets

During the 2012 revaluation, the remaining useful life of the assets that the trust leases from the municipality was limited to the end of the leasing period. During the 2016/17 financial year, it became evident that the assets will not revert back to the Municipality after the lease expiry date and as a result the trust could no longer limit the remaining useful life to the end of the lease period.

During the 2017 revaluation, condition assessments were performed, new residual values and estimated useful lives were determined resulting in a lower depreciation charge. The amount of the effect in future periods could not be disclosed, estimating it is impracticable due to the fact that the change in residual values and estimated useful lives were identified as part of the 2017 revaluation and could not be differentiated.

During the 2024 financial year, the Auditor-General of South Africa (AGSA) raised concerns regarding inconsistencies in the accounting model applied to fixed assets when compared to the Rustenburg Local Municipality. To address this finding and to enhance consistency and compliance across the consolidated reporting environment, the Trust has transitioned from the Revaluation Model to the Cost Model with effect from the 2025 financial year, in accordance with paragraphs 38 and 39 of GRAP 17.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 46. Change in estimate (continued)

##### Remaining Useful Life Adjustment (2025 Change in Estimate)

During the review of the remaining useful lives (RUL) of assets, we identified 31 672 assets deemed for adjustment. These assets were identified at the beginning of the reporting period and are either in use with a zero RUL or are expected to depreciate to zero within the next 24 months.

The assets meeting this criterion were adjusted to reflect their condition rating as of year-end.

Adjusting the RUL of an asset is considered a subsequent measurement (as it constitutes a change in estimate). In accordance with GRAP 3, paragraphs 38–40, a change in an accounting estimate may affect only the current period's surplus or deficit or the surplus or deficit of both the current period and future periods.

The table below illustrates the depreciation effect per asset class resulting from the adjustments conducted for the 2024/25 financial year.

Summary Category	Depreciation 24/25 (Before Adjustment)	Current year Depreciation and future prospective depreciation based on revised remaining useful life
Buildings	165	9 904
Investment Property	7	287
Movable Assets	24 348	8 513
Infrastructure Assets	7 151	16 609
<b>Total</b>	<b>31 671</b>	<b>35 314</b>

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 47. Prior period errors

Transactions reflected in this note are rounded to thousands.

The Statement of Comparison of Budget and Actual amounts includes the comparison for all the required statements in terms of GRAP 1 and GRAP 24 to improve disclosure.

**The following Prior period error corrections were done for the 2023 financial year:**

A decrease in PPE of R491 317 and a decrease in Retained earnings of R491 317 occurred due to correction of prior year audit findings including housing projects that were previously omitted and disposal of land that was previously incorrectly recorded.

An increase in PPE of R8 966 and an increase in Retained earnings of R8 966 occurred due to correction of housing projects and prior year audit findings. Work-in-progress has been included into the relevant asset class on the main PPE note to improve disclosure.

A decrease in Receivables from exchange of R52 112, a decrease in Retained earnings of R45 315 and a decrease in VAT payable of R6 797 occurred due to correction of Cigicell balance in line with prior year findings.

A decrease in Receivables from exchange of R38 825, a decrease in Receivables from non exchange of R10 579, a decrease in Retained earnings of R44 340 and a decrease in VAT payable of R5 064 occurred due to corrections made after year end to accounts due to various reasons which include over and under billing of customer accounts.

A decrease in Retained earnings of R20 437, an increase in VAT receivable of R943 and an increase in Payables from exchange of R21 381 occurred due to raising of invoices and supplier corrections that were previously omitted.

Retained earnings decreased by R2 209 and Cash and cash equivalents decreased by R2 029 due to correction of reconciling items in line with prior year audit findings.

The municipal entity transitioned from the Revaluation Model to the Cost Model for PPE, in accordance with paragraphs 38 and 39 of GRAP 17. This resulted in an increase in Retained earnings of R790 326, a decrease in Revaluation reserve of R262 194 and an increase in PPE of R528 131.

A decrease in Investment property of R802, an increase in PPE of R17 363 and an increase in Retained earnings of R16 561 occurred due to recognition and reclassification of service concession assets.

An increase in PPE of R17 672 and an increase in Retained earnings of R17 672 occurred due to recognition of service concession assets.

The above prior period errors had an impact on the cash flow statement..

**The following Prior period error corrections were done for the 2024 financial year:**

Fruitless and wasteful expenditure increased by R25 202 due to interest levied for late payments.

Contracted services increased by R184 291 and General expenses decreased by R184 291 due to repairs and maintenance which was previously misclassified and subsequently corrected.

A decrease in Contracted services of R713, an increase in Depreciation of R5 559, an increase in Public contributions and donations of R2 536, a decrease in General expenses of R573 798 and an increase in PPE of R571 489 occurred due to correction of prior year audit findings including housing projects that were previously omitted and disposal of land that was previously incorrectly recorded.

An increase in Depreciation of R8, an increase in Public contributions and donations of R47 618, a decrease in General expenses of R2, an increase in Impairment loss of R213 and an increase in PPE of R47 399 occurred due to correction of housing projects and prior year audit findings. Work-in-progress has been included into the relevant asset class on the main PPE note to improve disclosure.

Irregular expenditure decreased by R247 902 due to findings raised in prior years that were investigated and corrected.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

	Economic entity	Controlling entity
Figures in Rand thousand	2025	2024

#### 47. Prior period errors (continued)

Commitments increased by R5 623 due to correction of VAT, cessions and variation orders on projects.

An increase in Provisions (non-current) of R850, a decrease in Other Income of R560 and an increase in General Expenses of R290 occurred due to correction of discount rate utilised for the landfill provision.

A decrease in Property rates of R1 013, a decrease in Receivables from exchange of R31 332, a decrease in Receivables from non exchange of R1 012, a decrease in Service charges of R27 245 and a decrease in VAT payable of R4 087 occurred due to corrections made after year end to accounts due to various reasons which include over and under billing of customer accounts.

An increase in Contracted services of R685, an increase in General expenses of R280, an increase in VAT receivable of R89 and an increase in Payables from exchange of R1 054 occurred due to raising of invoices and supplier corrections that were previously omitted.

General expenses increased by R702 and Cash and cash equivalents decreased by R702 due to correction of reconciling items in line with prior year audit findings.

Employee costs decreased by R1 518 and General expenses increased by R1 518 due to reclassification to improve disclosure.

Contracted services increased by R220 and General expenses decreased by R220 due to reclassification to improve disclosure.

The municipal entity transitioned from the Revaluation Model to the Cost Model for PPE, in accordance with paragraphs 38 and 39 of GRAP 17. This resulted in an increase in Depreciation of R23 299, an increase in Impairment losses of R4 792, a decrease in Retained earnings of R4 501 and increase in Revaluation reserve of R5 275 and a decrease in PPE of R27 318.

An increase in Depreciation of R4 734, an increase in Investment property of R123, an increase in PPE of R37 736 and a decrease in Transfers and subsidies of R42 593 occurred due to recognition and reclassification of Service concession assets.

Transfers and subsidies decreased by R116 803 and Contracted services increased by R116 803 due to reclassification of bus operating service costs.

An increase in Depreciation of R216, an increase in General expenses of R17 456 and a decrease in PPE of R17 672 occurred due to disposal of service concession assets.

The above prior period errors had an impact on the cash flow statement.

The combined effects of the prior period errors are as follows in the AFS - Rounded to R'000:

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>47. Prior period errors (continued)</b>				
			Previously reported	Prior period error
<b>Statement of financial position - extract Current assets</b>				Restated amount
Receivables from exchange transactions	283 844	(122 271)		181 573
Receivables from non-exchange transactions	45 567	(11 591)		33 976
VAT Receivable	159 186	1 032		160 198
Cash and cash equivalents	1 059 249	(2 731)		1 056 518
<b>Non-current assets</b>				
Investment Property	94 598	(679)		93 919
Property, plant and equipment	9 081 935	692 448		9 774 383
<b>Current liabilities</b>				
Payables from exchange transactions	1 122 481	19 836		1 142 317
VAT Payable	419 441	(15 948)		403 493
<b>Non-current liabilities</b>				
Provisions	10 774	851		11 625
<b>Statement of changes in net assets - extract</b>				
Accumulated Surplus	8 157 979	808 388		8 966 367
Revaluation reserve	256 919	(256 919)		-
<b>Statement of financial performance - extract</b>				
<b>Revenue</b>				
Service Charges	2 976 487	(27 245)		2 949 242
Property Rates	521 602	(1 013)		520 589
Other Income	21 300	(560)		20 740
Public Contributions and Donations	19 270	50 154		69 424
<b>Expenditure</b>				
Employee related cost	859 630	(1 518)		858 112
Depreciation and Amortization	368 240	33 815		402 055
Contracted Services	357 123	301 286		658 409
Transfers and subsidies	160 133	(159 396)		737
General expenses	1 135 297	(738 066)		397 231
Impairment loss	1 127 089	5 005		1 132 094
<b>Disclosures</b>				
Irregular Expenditure	6 765 017	(96 663)		6 668 354
Commitments	326 520	5 623		332 143
Fruitless and Wasteful Expenditure	38 254	25 202		63 456

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- - - -  
- - - -

### 48. Comparative figures

Certain comparative figures have been restated due to prior year errors. Refer to note above.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 49. Risk management

##### Financial risk management

###### Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2011.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 21, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 17 and the Statement of Changes in Net Assets.

###### Gearing Ratio's

The gearing ratio at the year-end was as follows:

###### Gearing Ratio's

Debt	(232 706)	(236 897)	(232 706)	(236 897)
Cash and Cash Equivalents	1 170 852	1 056 518	642 031	539 441
<b>Total</b>	<b>938 146</b>	<b>819 621</b>	<b>409 325</b>	<b>302 544</b>

Debt is defined as Long and Short-term Loans and Finance Lease Obligations.

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance and Net Debt as described above.

###### Financial Risk Management Objectives

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The municipality's Finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

	Economic entity	Controlling entity
Figures in Rand thousand	2025	2024

#### 49. Risk management (continued)

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department of Finance monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes to market conditions and the municipality's activities, and compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

#### Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Credit Risk;
- Liquidity Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

#### Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

#### Liquidity risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 49. Risk management (continued)

##### Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of fixed deposit investments, long-term receivables, other debtors, bank and cash balances.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

##### Investments/Bank, Cash and Cash Equivalents

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

	Economic entity	Controlling entity
Figures in Rand thousand	2025	2024

#### 49. Risk management (continued)

Refer to <http://www.fidfund.co.za/banking-options/bank-credit-ratings/> for the most updated ratings.

The municipality limits its counterparty exposures from its short-term investments (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions short term credit rating of BBB and long-term credit rating of AA- and higher at an International accredited credit rating agency. The municipality's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst different types of approved investments and institutions, in accordance with its investment policy. Consequently, the municipality is not exposed to any significant credit risk.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

#### Trade and Other Receivables

Trade and Other Receivables are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an on-going basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

Trade Receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality. Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. On-going credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

- The application of section 118(3) of the Municipal Systems Act (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property;
- A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount;
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA;
- The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually;
- Encouraging residents to install water management devices that control water flow to households, and/or prepaid electricity meters.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

	Economic entity	Controlling entity
Figures in Rand thousand	2025	2024

#### 49. Risk management (continued)

and other receivables.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	Economic entity - 2025	Economic entity - 2024	Controlling entity - 2025	Controlling entity - 2024
Finance Lease Receivables	-	-	-	502
Receivables from exchange transactions	278 308	161 573	249 351	140 189
Cash and cash equivalents	1 170 852	1 056 518	642 031	539 441
Investments	1 172	1 074	1 173	1 075
Guarantees	28 275	27 763	28 275	27 763

#### Market risk

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

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

#### 49. Risk management (continued)

##### Detail

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

- interest rate swaps to mitigate the risk of rising interest rates.

Market risk exposures are measured using value-at-risk (VaR) and are supplemented by sensitivity analysis.

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

Note that no interest paid are linked to prime and therefore no impact on the sensitive analysis for interest paid.

#### Sensitivity analysis for financial instruments 2024 - Economic entity 2024

Interest received for the year: -2%	621 112	(141 968) Decrease in net surplus
Interest received for the year	763 080	
Interest received for the year: +2%	905 048	141 968 Increase in net surplus

Note that no interest paid are linked to prime and therefore no impact on the sensitive analysis for interest paid.

#### Sensitivity analysis for financial instruments 2025 - Economic entity 2025

Interest received for the year: -2%	586 806	(134 127) Decrease in net surplus
Interest received for the year	720 933	
Interest received for the year: +2%	855 060	134 127 Increase in net surplus

#### Sensitivity analysis for financial instruments 2024 - Controlling entity 2024

Interest received for the year: -2%	591 955	(135 304) Decrease in net surplus
Interest received for the year	727 259	
Interest received for the year: +2%	862 563	135 304 Increase in net surplus

Note that no interest paid are linked to prime and therefore no impact on the sensitive analysis for interest paid.

#### Sensitivity analysis for financial instruments 2025 - Controlling entity 2025

Interest received for the year: -2%	553 656	(126 550) Decrease in net surplus
Interest received for the year	680 206	
Interest received for the year: +2%	806 756	126 550 Increase in net surplus

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## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

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

#### 49. Risk management (continued)

##### 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.

Financial Assets and Liabilities that are sensitive to interest rate risk are cash and cash equivalents, investments, and loan payables. The municipality is not exposed to interest rate risk on these financial instruments as the rates applicable are fixed interest rates.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, other debtors, bank and cash balances.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Consumer Deposits are increased accordingly.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

##### Foreign exchange risk

The municipality undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market. No foreign investments are done by the municipality.

##### Price risk

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

#### 50. Going concern

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 50. Going concern (continued)

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

We draw attention to the fact that at 30 June 2025, the following conditions existed:

- Current Liabilities exceed current assets
- Recoverability of outstanding debtors are low and more than ninety percent of gross debtors have been impaired.
- On average the municipality takes longer than the prescribed thirty day period to pay creditors
- The municipality is involved in various matters involving litigation of which the outcome is unknown

These matters cast doubt on the ability of the economic entity to operate as a going concern. Management will continue to monitor and assess these matters on a regular basis.

The annual budget for the next financial year has been prepared and approved by council. The economic entity's budget for the 2026 financial year has been assessed to be fully funded in terms of section 18 of the MFMA. The approval of the budget was supported with a long-term financial plan and revenue collection improvement plan for 2026. Management is satisfied that the economic entity has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

#### 51. Events after the reporting date

No events occurred with respect to the 2024/25 financial year end after the date of the statement of financial position in respect of loans, investments and any other aspects.

#### 52. Unauthorised expenditure

Opening balance as previously reported	16 462	221 664	16 462	221 664
<b>Opening balance as restated</b>	<b>16 462</b>	<b>221 664</b>	<b>16 462</b>	<b>221 664</b>
Unauthorised expenditure current year	60 025	10 424	60 025	10 424
Authorised during the financial year	-	(215 626)	-	(215 626)
<b>Closing balance</b>	<b>76 487</b>	<b>16 462</b>	<b>76 487</b>	<b>16 462</b>

#### Analysed as follows: non-cash

Vote 10 - Roads and Transport : Origin 2024/25	18 887	-	18 887	-
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#### Analysed as follows: cash

Vote 2 - Municipal Manager : Origin 2023/24	-	10 424	-	10 424
Vote 10 - Roads and Transport : Origin 2024/25	41 138	-	41 138	-
	<b>41 138</b>	<b>10 424</b>	<b>41 138</b>	<b>10 424</b>

Unauthorised expenditure incurred during the year resulted from depreciation and operational costs incurred by the Roads and Transport directorate.

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>53. Fruitless and wasteful expenditure</b>				
Opening balance as previously reported	38 254	38 136	38 254	38 136
Correction of prior period error	25 202	1	25 202	1
<b>Opening balance as restated</b>	<b>63 456</b>	<b>38 137</b>	<b>63 456</b>	<b>38 137</b>
Expenditure incurred during the year	75	117	75	117
<b>Closing balance</b>	<b>63 531</b>	<b>38 254</b>	<b>63 531</b>	<b>38 254</b>

Fruitless expenditure incurred during the year resulted from interest and penalties levied.

#### 54. Irregular expenditure

Opening balance as previously reported	6 765 017	6 279 632	6 596 788	6 279 632
Correction of prior period error	(96 663)	150 143	(247 902)	(1 095)
<b>Opening balance as restated</b>	<b>6 668 354</b>	<b>6 429 775</b>	<b>6 348 886</b>	<b>6 278 537</b>
Irregular expenditure incurred during the year	309 141	335 242	93 493	318 251

**Closing balance**

#### Analysis of irregular expenditure incurred current year - by nature

Proper procurement process not followed	309 141	335 242	93 493	318 251
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#### Analysis of irregular expenditure incurred - by timing

Origin of irregular expenditure - Pre and 2023/24	-	335 242	-	318 251
Origin of irregular expenditure - Pre and 2024/25	309 141	-	93 493	-
<b>309 141</b>	<b>335 242</b>	<b>93 493</b>	<b>318 251</b>	

*Irregular expenditure identified during the current year is undergoing the process of being subjected to investigation. Full details are available in the irregular expenditure register.*

Irregular expenditure is always calculated inclusive of VAT while the figures disclosed above have been presented in this set of financial statements exclusive of VAT.

The investigation of irregular expenditure concluded that appropriate supporting documents were in place to process the write off of irregular expenditure. Therefore no irregular expenditure was recovered.

#### 55. Additional disclosure in terms of Municipal Finance Management Act

##### Contributions to organised local government

Current year subscription / fee	10 665	9 853	10 665	9 853
Amount paid - current year	(10 132)	(9 853)	(10 132)	(9 853)
Early settlement discount	(533)	-	(533)	-
	-	-	-	-

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

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

#### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

##### Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Material Electricity and Water losses were as follows and are not recoverable:

Electricity	Units (kWh)	Units (kWh)	Units (kWh)	Units (kWh)
Purchased during the year	962 663	978 498	962 663	978 498
Sold during the year	(679 343)	(720 831)	(679 343)	(720 831)
Unaccounted - Normal distribution losses - % of electricity (2025 - 29,43%); (2024 - 26,33%)	283 320	257 667	283 320	257 667
<b>Loss (R): At Cost</b>	<b>606 566</b>	<b>481 122</b>	<b>606 566</b>	<b>481 122</b>

Electricity losses occur due to inter alia, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections. The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters are replaced or repaired as soon as they are reported.

The increase in losses from the previous year are due to low electricity consumption as mine furnaces have not been operational at Glencore, which is the municipality's biggest customer.

Water	Units (kl)	Units (kl)	Units (kl)	Units (kl)
Purchased during the year	41 535	43 800	41 535	43 800
Sold during the year	(19 969)	(20 497)	(19 969)	(20 497)
Unaccounted - Normal distribution losses - % of water (2025 - 51,92%); (2024 - 53,20%)	21 566	23 303	21 566	23 303
<b>Loss (R): At Cost</b>	<b>285 665</b>	<b>287 323</b>	<b>285 665</b>	<b>287 665</b>

Water losses occur due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an on-going process, with regular action being taken against defaulters. Faulty meters and leakages are replaced / repaired as soon as they are reported.

#### Audit fees

Current year subscription / fee	18 201	16 300	16 407	15 092
Amount paid - current year	(18 164)	(16 300)	(16 370)	(15 092)
	<b>37</b>	<b>-</b>	<b>37</b>	<b>-</b>

#### PAYE and UIF

Current year subscription / fee	148 263	132 607	148 263	132 607
Amount paid - current year	(134 587)	(132 607)	(134 587)	(132 607)
	<b>13 676</b>	<b>-</b>	<b>13 676</b>	<b>-</b>

#### Pension and Medical Aid Deductions

Current year subscription / fee	155 881	148 358	155 881	148 358
Amount paid - current year	(155 881)	(148 358)	(155 881)	(148 358)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

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

#### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

##### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30/06/2025:

30/06/2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr MALINGA F	6	99	105
Cllr SNYDERS B C O EN M	11	154	165
Cllr G&MC RAMPOU	7	186	193
Cllr RJ KOTU	3	63	66
Cllr EM MOREI	2	56	58
Cllr SERONGOANE J	12	357	369
Cllr MAUMAKWE B	4	84	88
Cllr KIBINI T.S	6	121	127
Cllr BB MAREKOA	5	100	105
Cllr MA&NL MODUKE	7	6	13
Cllr RALOKWAKWENG J O	8	162	170
Cllr VELA VKE	16	186	202
Cllr JB MPELE & 2 OTHERS	9	267	276
Cllr GS&GK MOTLHAMME	4	13	17
Cllr TD PULE	5	74	79
Cllr NAGENG MOLEFE PIET	3	32	35
Cllr VN MYOLI	6	137	143
	114	2 097	2 211

30/06/2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr MALINGA F	10	64	74
Cllr PB MOATSHE	8	96	104
Cllr SNYDERS B C O EN M	14	123	137
Cllr G&MC RAMPOU	8	157	165
Cllr NE MOKHABA	3	76	79
Cllr RJ KOTU	4	63	67
Cllr EM MOREI	3	55	58
Cllr MFALADI L	6	112	118
Cllr WL MAJOLO	6	92	98
Cllr SERONGOANE J	19	297	316
Cllr BB MAREKOA	6	85	91
Cllr SM MOTSHEGWE	3	-	3
Cllr RALOKWAKWENG J O	11	133	144
Cllr VELA VKE	11	149	160
Cllr JB MPELE	12	240	252
Cllr AS&DM SETHONGA	2	22	24
Cllr GN NKGWENG	9	139	148
Cllr GS&GK MOTLHAMME	6	31	37
Cllr KOMBE OFENTSE JERREMIA	6	28	34
Cllr NAGENG MOLEFE PIET	3	30	33
	150	1 992	2 142

Not all councillors are owning properties and some councillors inherited arrear accounts from the properties where they were staying prior to being elected as councillors. Some councillors are jointly liable for debt on households they reside in as per municipal approved policies.

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## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

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

#### 55. Additional disclosure in terms of Municipal Finance Management Act (continued)

##### Additional disclosure in terms of Municipal Finance Management Act

Non compliance with the MFMA resulted in unauthorised, irregular, fruitless and wasteful expenditure incurred for the current year. Furthermore, the municipality only concluded investigations on some irregular expenditure and no investigations were concluded on unauthorised and fruitless and wasteful expenditure during the course of the year.

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	2025	2024	2025	2024

#### 56. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the consolidated annual financial statements.

The following services were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations:

- Operations and Maintenance of Landfill Site
- Waste Collection
- Insurance Services
- Heavy-duty trucks and yellow fleet
- Accommodation
- Roads and Stormwater Drainage
- Repair broken sewer pipes, collapsed sewer pipes and broken manholes
- Calibration of a weighbridge
- Disaster recovery IT infrastructure
- Asset Management Services
- Update and Review of Long Term Financial Plan
- Leasing and maintenance of printers and equipment
- Annual Fitness Test for Lifeguards
- Electrical Labour Services
- Credit control, meter reading and indigent management
- ERP Financial System
- Rezoning of Streets
- Legal Services

DEVIATION	REASONS	AMOUNT OF AWARD
Mphele Engineers and Project	Exceptional case where it is impractical or impossible to follow the SCM Policy. New Bid advertised has not been awarded and service must continue due to environmental factors.	R3 897 R3 900 R3 900 R2 600
Katlego Baphiring	Exceptional case where it is impractical or impossible to follow the SCM Policy	R21 000 R21 000
Sethanye Trading and Projects	for Waste Collection. New Bid advertised has not been awarded and service must continue due to service delivery mandate and environmental factors	R21 000 R7 000
Kunene Makopo Risk Solutions	Exceptional case where it is impractical or impossible to follow the SCM Policy for Insurance Services. Bid advertised was non responsive and municipality would be exposed to significant risk without the service	R18 500

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	2025	2024	2025	2024
<b>56. Deviation from supply chain management regulations (continued)</b>				
Storky Consulting and projects	Exceptional case where it is impractical or impossible to follow the SCM Policy	Rates based		
Mosewa Capital	for servicing and repairing the Heavy-Duty Trucks and the yellow fleet			
Alumni Trading 212				
Rig holdings				
Kat Leisure Pty Ltd	Exceptional case where it is impractical or impossible to follow the SCM Policy. Travelling bid has been readvertised	R546		
DKPB Construction	Exceptional case where it is impractical or impossible to follow the SCM Policy as current contract had performance deficiencies	R9 806		
Dota 72 Trading	Emergency. Repair several broken sewer pipes, collapsed sewer pipes and broken manholes	Rates based		
Trek Scale Company (Pty) Ltd	Sole Supplier. The supplier that built the weigh bridge are the only service provider that can do the calibration	R37		
Secinc (Pty) Ltd	Exceptional case where it was impractical to follow the SCM policy for disaster recovery services. New bid advertised has not been awarded.	R163		
Market Demand Trading 773	Exceptional case where it was impractical to follow the SCM policy for asset management services. New bid advertised has not been awarded and service must continue to maintain proper asset care.	R2 413		
Motswako Office Solutions	Exceptional case where it was impractical to follow the SCM policy for leasing and maintenance of printers. The newly appointed service provider requested additional time to deliver due to delay in shipment and service must continue for administrative functioning of the municipality	R200 (Copy charges monthly) R1 025 (Rentals monthly)		
CCG Systems	Exceptional case where it was impractical to follow the SCM policy. ERP System tender was non-responsive and required re-advertisements..	R10 969 – Annual license R698 – Monthly support fees.		
Ntiyiso consulting Pty Ltd	Exceptional case where it was impractical to follow the SCM policy. Credit control, meter reading and indigent management	R317		
INCA Portfolio Managers	Sole Supplier. Update of Long Term Financial Plan (LTFP). INCA are the owners of the financial model utilised to compile the Municipality's LTFP. No other agents or dealers would be able to update the LTFP.	R184		
Lifesaving South Africa	Sole Supplier. Lifesaving south Africa is the only organisation that is accredited to provide the annual fitness test for lifeguards training	R7		

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### Notes to the Consolidated Annual Financial Statements

Figures in Rand thousand	Economic entity		Controlling entity	
	2025	2024	2025	2024
<b>56. Deviation from supply chain management regulations (continued)</b>				
MTNA/SUN JV	Exceptional case where it was impractical to follow the SCM policy for electrical labour services		Rates based	
Lermat Construction and Projects CC				
CDR Electrical (PTY) LTD				
Oxior Civil Enterprises				
African Development Planning Consultants (AdepCo)	Exceptional case where it was impractical to follow the SCM policy for rezoning of President Thabo Mbeki Street as current service provider could not complete work due to legal objections	R992		
Len Dekker Attorneys	Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The CMS court was heading for the high court Case No M530/2020 and it did not make sense to procure new attorneys when the case was midway. Len Dekker Attorneys was appointed on a quotation basis in Dec'20 and in June'21 was extended to ensure the factual preparation of the Court case involving CMS is completed	R850		
Len Dekker Attorneys	Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The RWST and its Trustees was challenged in The high court on an urgent basis and it did not make sense to procure new attorneys in this urgent matter.	R1 520		

### 57. SCM regulation 45 disclosure

In terms of regulation 45 of the Municipal SCM regulations, the notes to the annual financial statements of a municipality must disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months including:

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award

NATURE	DESCRIPTION	NAME OF OFFICIAL	CAPACITY OF OFFICIAL	AMOUNT OF AWARD
Award made to Kabelo Monong Trading & Project (Pty) Ltd. Official is a spouse to the director	Appointment of a service provider to replace windows at Mpheni House for a period of 36 months as and when required	Ms. N Mofokeng	Senior Finance Clerk	Rates Based - As and when required
Award made to Modlabantu Trading and Project. Official is a spouse to the director	Appointment of service provider/s for supply and delivery of electrical toolboxes to Rustenburg Local Municipality as when needed for a period of 3 years	Ms. N Mofokeng	Senior Finance Clerk	Rates Based - As and when required

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 57. SCM regulation 45 disclosure (continued)

Award made to Modlabantu Trading and Project. Official is a spouse to the director. Appointment of one or more service providers for supply and delivery of furniture at various municipal facilities for a period of 3 years Ms. N Mofokeng Senior Finance Clerk Rates Based - As and when required

#### 58. Segment information

##### General information

##### Identification of segments

The segments were organised around the type of service delivered. Management uses these segments for determining strategic objectives.

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.

Geographical considerations are not relevant for the purposes of determining reportable segments.

##### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Electricity	Trading services - electricity
Water	Trading services - water
Refuse	Trading services - refuse
Sewerage and sanitation	Trading services - sewerage and sanitation
Property rates	Trading services - property rates

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

#### 58. Segment information (continued)

##### Segment surplus or deficit, assets and liabilities

2024

	Property Rates	Electricity	Water	Sewerage and Sanitation	Refuse	Total
<b>Revenue</b>						
Revenue from non-exchange transactions	748 568	70 724	614 775	108 065	151 179	1 693 311
Revenue from exchange transactions	-	2 038 787	528 429	205 541	174 195	2 946 952
Other Revenue	6 204	10	38 441	24	1 137	45 816
<b>Total segment revenue</b>	<b>754 772</b>	<b>2 109 521</b>	<b>1 181 645</b>	<b>313 630</b>	<b>326 511</b>	<b>4 686 079</b>
<b>Entity's revenue</b>						<b>4 686 079</b>
<b>Expenditure</b>						
Employee Costs	38 479	56 271	87 581	10 506	50 796	243 633
Bulk Purchases	-	1 844 264	481 461	-	-	2 325 725
Other Expenses	137 222	204 750	1 103 214	144 953	190 267	1 780 406
<b>Total segment expenditure</b>	<b>175 701</b>	<b>2 105 285</b>	<b>1 672 256</b>	<b>155 459</b>	<b>241 063</b>	<b>4 349 764</b>
<b>Total segmental surplus/(deficit)</b>						<b>336 315</b>
<b>Assets</b>						
Property, Plant & Equipment	-	770 621	1 682 931	654 548	-	3 108 100
Receivables - Gross	639 425	625 500	1 729 598	488 005	563 790	4 046 318
Receivables - Accumulated Impairment	(615 937)	(560 834)	(1 692 167)	(485 070)	(557 218)	(3 911 226)
<b>Total segment assets</b>	<b>23 488</b>	<b>835 287</b>	<b>1 720 362</b>	<b>657 483</b>	<b>6 572</b>	<b>3 243 192</b>
<b>Total assets as per Statement of financial Position</b>						<b>3 243 192</b>
<b>Liabilities</b>						
Loans	-	(111 775)	(88 459)	(17 850)	-	(218 084)
<b>Total liabilities as per Statement of financial Position</b>						<b>(218 084)</b>

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

Figures in Rand Thousand

#### 58. Segment information (continued)

The measurement basis and accounting policies of the reportable segments are consistent with that of the economic entity.

2025

	Property Rates	Electricity	Water	Sewerage and Sanitation	Refuse	Total
<b>Revenue</b>						
Revenue from non-exchange transactions	566 328	60 055	545 697	243 524	180 996	1 596 600
Revenue from exchange transactions	-	2 215 109	593 713	223 917	193 421	3 226 160
Other Revenue	1 192	(221)	45 043	25	654	46 693
<b>Total segment revenue</b>	<b>567 520</b>	<b>2 274 943</b>	<b>1 184 453</b>	<b>467 466</b>	<b>375 071</b>	<b>4 869 453</b>
<b>Entity's revenue</b>						
<b>Expenditure</b>						
Employee costs	40 284	59 833	87 675	18 438	55 900	262 130
Bulk Purchases	-	2 064 064	477 853	-	-	2 541 917
Other Expenses	188 814	198 572	1 186 082	155 683	233 493	1 962 644
<b>Total segment expenditure</b>	<b>229 098</b>	<b>2 322 469</b>	<b>1 751 610</b>	<b>174 121</b>	<b>289 393</b>	<b>4 766 691</b>
<b>Total segmental surplus/(deficit)</b>						<b>102 762</b>
<b>Assets</b>						
Property, Plant & Equipment	-	762 136	1 689 669	774 231	-	3 226 036
Receivables - Gross	810 369	784 676	2 024 715	619 567	679 088	4 918 415
Receivables - Accumulated Impairment	(772 399)	(641 259)	(1 961 306)	(607 631)	(669 049)	(4 651 644)
<b>Total segment assets</b>	<b>37 970</b>	<b>905 553</b>	<b>1 753 078</b>	<b>786 167</b>	<b>10 039</b>	<b>3 492 807</b>
<b>Total assets as per Statement of financial Position</b>						<b>3 492 807</b>
<b>Liabilities</b>						
Loans	-	(94 508)	(74 820)	(15 474)	-	(184 802)
<b>Total liabilities as per Statement of financial Position</b>						<b>(184 802)</b>

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 59. Budget differences

##### Material differences between budget and actual amounts

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 59. Budget differences (continued)

##### Statement of Financial Performance

Service Charges - Decrease due to low electricity consumption as mine furnaces have not been operational at Glencore.

Rental of Facilities and Equipment - Increase due to raising of rental invoices to Sibanye Stillwater, which were previously not billed.

Agency Services - Budgeted for collection of license disks which is the full amount collected. Budget was based on the full amount received for Agency fees, however only 20% belongs to the Municipality, 80% of the funds received belongs to the North West Department of Transport and should not have been included.

Licences and Permits - An influx of renewals was experienced in the current year, following a low turnout of licence renewals in the previous year.

Interest Received (investment) - Increase due to actively investing any surplus funds at competitive rates. Performance was also positively affected by the relative high interest rate environment.

Public Contributions and Donations - Increase due to Housing Projects undertaken on municipal jurisdiction by the North West Department of Human Settlements, which were recognised in terms of GRAP.

Fines - We used collection of fines as a base for budgeting instead of fines issued as per iGRAP. Furthermore additional fines were issued for acts of non compliance.

Employee related costs - Decrease due to high vacancy rate and slow pace in filling of vacancies.

Remuneration of Councillors - Decrease due to ward stipends which were initially recorded under remuneration of councillors but subsequently reclassified under general expenses.

Depreciation and Amortisation - Decrease due to fewer than anticipated completed projects, which resulted in a lower depreciation charge for the year.

Finance Costs - Increase due to accounting for the interest portion of the RRT operator compensation and employee benefit obligation which was higher than anticipated.

Impairment Losses - Increase in line with year end assessment and impairment methodology on the collectability of debtors. Budget was based on a projected collection rate, which was higher than the actual collection rate.

Bulk Purchases - Decrease due to low electricity consumption as mine furnaces have not been operational at Glencore. The decrease is in line with the decline in sale of electricity.

Transfers and Subsidies - Decrease due to payments for bus operating services which were initially recorded as transfers and subsidies but subsequently reclassified under contracted services.

Contracted Services - Decrease due to procurement processes that did not materialise and cost containment measures.

General Expenses - Increase due to water costs incurred by the municipal entity.

Gain on disposal of assets and liabilities - No gains realised during the financial year as disposal of various developments did not materialise.

Actuarial gains/losses - Not Budgeted for. Actuarial losses recognised in line with GRAP 25 as per expert valuation of employee benefits.

##### Statement of Financial Position

Inventory - Decrease due to delays in procurement processes for materials and stock.

VAT receivables - The budget offset the VAT receivables and VAT payable as one amount under Trade and other payables

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 59. Budget differences (continued)

from non-exchange transactions. The VAT accrual on the AFS is split between VAT receivables and VAT payable.

Finance lease receivables - The lease between the municipality and our entity came to end in the current year and was therefore extinguished in full.

Receivables from exchange and non exchange - Increase in debtors book due to not achieving our anticipated collected rate. Furthermore the budget understated the exchange receivables and overstated the non exchange receivables.

Cash and cash equivalents - The budget disclosed short and long term deposits separately from cash and cash equivalents as Other current and non current assets.

Investment property - Decrease due to underspending on acquisitions and the capital budget.

Property, plant and equipment - Decrease due to underspending on acquisitions and the capital budget.

Intangible assets - The municipality no longer uses the software or, in some instances, only pays for an operating license fee. Therefore, management has decided to depreciate these assets to zero.

Heritage assets - Not budgeted for. Omission on the budget.

Other financial liabilities - Loans are disclosed on the AFS as other financial liabilities, whilst loans are disclosed on the budget as borrowings. Furthermore, the budget overstated borrowings.

Finance lease obligation - The budget did not consider the new lease of copiers which came into effect in the 2025 financial year.

Payables from exchange transactions - The budget assumed that expenditure incurred during the year, will be paid in full, whilst a significant amount of accruals remain at the end of the year. Furthermore leave accruals, bonus accruals and unallocated deposits were not considered on the budget.

VAT payable - The budget offset the VAT receivables and VAT payable as one amount under Trade and other payables from non-exchange transactions. The VAT accrual on the AFS is split between VAT receivables and VAT payable.

Consumer deposits - More deposits were received during the year than anticipated, whilst fewer refund of deposits were processed than anticipated.

Employee benefit obligation - Not budgeted for. Omission on the budget.

Unspent conditional grants and receipts - The budget assumed that all grants received will be fully utilised and there will be no unspent funds at the end of the year.

Provisions - The budget misclassified the long and short term portion of the landfill provision. Furthermore the expert landfill closure provision report was not available at the time of the budget.

Trade and other payables from non-exchange transactions - The budget offset the VAT receivables and VAT payable as one amount under Trade and other payables from non-exchange transactions. The VAT accrual on the AFS is split between VAT receivables and VAT payable.

#### Statement of Changes in Net Assets

The statement of changes in net assets is higher on the budget, which is influenced by the overstatement of assets and understatement of liabilities on the budget as per the variances discussed under the Statement of Financial Position. Furthermore, the budget assumed that reserves will be available.

#### Cash Flow Statement

The variances discussed under the Statement of Financial Performance and Statement of Financial Position had an impact on the cashflow statement, which resulted in differences between the budgeted and actual cash flow statement. Furthermore, the anticipated cash collection rate and cash payment rate on the budget was higher than the actual cash collection and cash

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## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

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

#### 59. Budget differences (continued) payment rate.

##### Basis of preparation and presentation of budget

The budget is prepared on the accrual basis of accounting and the classification format adopted is consistent with that of the financial statements. The period of the budget is 01 July 2024 to 30 June 2025.

##### Changes from the approved budget to the final budget

The changes between the original and final budget are a consequence of changes in the overall budget parameters. Further details of the changes are included in the economic entity's published adjustments budget for the year ended 30 June 2025.

## Rustenburg Local Municipality

Consolidated Annual Financial Statements for the year ended 30/06/2025

### Notes to the Consolidated Annual Financial Statements

	Economic entity	Controlling entity
Figures in Rand thousand	2025	2024

#### 60. Accounting by principals and agents

In terms of GRAP 109 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).

The following arrangement meets the criterion for such arrangements where the municipality is the principal:

##### Rustenburg Transit (RF) Pty Ltd

The municipality appointed Rustenburg Transit (RF) Pty Ltd as the Bus Operating Company (BOC) to facilitate the operations of the Rustenburg Rapid Transport (RRT) project. This includes managing the transition process with the industry and affected operators.

In terms of GRAP 109 paragraph 45 When an entity determines that it is a principal in accordance with this Standard, it accounts for revenue and expenses arising from the transactions with third parties in its statement of financial performance. This is because the transactions with third parties are concluded for the benefit of the principal.

The municipality paid expenditure of R150 701, incurred expenditure which has not yet been paid of R20 042 and received revenue of R25 439 in terms of the principal-agent arrangement. Trade payables of R289 211 and Service concession assets of R152 547 were held in terms of the principal-agent arrangement.

The RRT project is fully funded by the Public Transport Network Grant (PTNG). Therefore, there are no direct cost implications for the municipality if the arrangement is terminated but it could have an impact of future allocations in terms of the PTNG.

The principal agent arrangement also meets the service concession arrangement criteria as a result of buses and taxis used in the arrangement which are controlled by the grantor. The grantor entered into an interim agreement with the operator for the provision of integrated public transport services for a period of 2 years and 11 months which commenced on the 01 July 2022 until 30 June 2025. Additionally, the grantor extended the agreement for additional 12 months which became effective on 01 July 2025.

The interim agreement currently effective is on a compensation model of cost recovery and the operator is currently not charging the mark up or profit margins however these terms might change in the future should the negotiated agreement be considered. Additionally, there are uncertainties on the continuity of the PTNG grant funding this arrangement as the cabinet is in consultation process to determine the alternative funding model and the municipality has been advised to not enter into new contractual arrangements after the current agreements. All service concession assets pertaining to the arrangements has been accounted for, in the municipality records and these assets have been disclosed in Note 4 of the financial statements.

The following arrangement meets the criterion for such arrangements where the municipality is the agent:

##### North West Department of Human Settlements

The municipality does the beneficiary identification for all housing projects within the Rustenburg jurisdiction on behalf of and for the benefit of the North West Department of Human Settlement as these beneficiaries are identified to occupy the RDP houses as part of fulfilling the mandate of the Provincial Department of Human Settlement to promote and facilitate the provision of adequate housing in its province within the framework of National Housing Policy as prescribed by Paragraph 7 of the Housing Act.

##### North West Department of Community Safety and Transport Management

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## Rustenburg Local Municipality

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### Notes to the Consolidated Annual Financial Statements

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

#### 60. Accounting by principals and agents (continued)

The Department of Community Safety and Transport Management is mandated with the responsibility to monitor and control the registration and licencing of all motor vehicles and to render services regarding the administration of applications in terms of the National Road Traffic Act. The municipality provides services of motor vehicle registration and licencing on behalf of the Department. The Department of Community Safety and Transport Management remunerates the municipality by way of a commission rate of 20% all-inclusive from all revenue collected on behalf of the Department.

The municipality collected R147 605 and R118 084 was required to be paid over in terms of the principal-agent arrangement. R29 521 has been recognised as revenue from agency services in the financial statements. The municipality has a payable of R140 to North West Department of Community Safety and Transport Management at the end of the year.

In addition, the municipality paid the following expenses pertaining to the motor vehicle registration and licensing.

- Contracted services :	R81
- Employee related costs :	R31 032
- General expenses :	<u>R2 529</u>
- Total :	<b>R33 642</b>

### 6.3. ANNUAL PERFORMANCE REPORT OF THE RUSTENBURG WATER SERVICES TRUST

#### Key Performance Area (KPA 5): Basic Services and Infrastructure Development

Key Focus Area/Goal	Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2024/25	Portfolio of Evidence	2024/25 Annual Target	Annual Budget 2024/25 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
1. MUNICIPAL STRATEGIC PRIORITY: Develop and sustain a spatial, natural, and built environment																
1.1. Municipal Strategic Objective: Accelerated delivery and maintenance of quality basic and essential services to all Communities																
WATER SERVICES																
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	1	OBJ 3	5	Number of functional sewer purification plants operated in terms of Trust Deed	4	4 x log sheets of volumes of purification plants for Boitekong, Lethabong, Rustenburg and Monakato.	4	R93 856 067.40	Q1	4	4	3	NA	NA
											Q2	4	4	3	NA	NA
											Mid-Year	4	4	3	NA	NA
											Q3	4	4	3	NA	NA
											Q4	4	4	3	NA	NA
											Annual	4	4	3	NA	NA
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	2.1	OBJ 3	5	Number of sewer purification plants maintained in	4	Maintenance history for Boitekong, Lethabong, Rustenburg and Monakato.	4	R31 244 925.63	Q1	4	4	3	NA	NA
											Q2	4	4	3	NA	NA
											Mid-Year	4	4	3	NA	NA

Key Focus Area/Goal		Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2024/25	Portfolio of Evidence	2024/25 Annual Target	Annual Budget 2024/25 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures	
							terms of the Trust Deed				R3 006 194.09	Q3	4	4	3	NA	NA	
													Q4	4	4	3	NA	NA
													Annual	4	4	3	NA	NA
Service Delivery: Sustainable Livelihoods and resilient Infrastructure		Sewer Purification	14, 15, 16, 20, 21, 25, 27, 28	2.2	OBJ 3	5	% Plant availability of sewer purification plants maintained in terms of agreed standards	85%	Reports of 4 plants, assessing 10 selected items	85%	R3 006 194.09	Q1	85%	96.20%	3	NA	NA	
												Q2	85%	92.37%	3	NA	NA	
												Mid-Year	85%	94.28%	3	NA	NA	
												Q3	85%	85%	3	NA	NA	
												Q4	85%	80.25%	2	Refer to page 10	Refer to page 10	
												Annual	85%	88.47%	3	NA	NA	
Service Delivery: Sustainable Livelihoods and resilient Infrastructure		Wastewater Supply	14,15,16	3	OBJ 5	10	Volume of treated wastewater supplied to the industrial water off-takers in terms of the Off-take Agreement	Average 25MI/day	Anglo & Impala log sheets	Average 25MI/day	R35 807 061.05	Q1	25 MI/day	23.37 MI/day	2	Refer to page 11	Refer to page 11	
												Q2	25 MI/day	23.00 MI/day	2	Refer to page 11	Refer to page 11	
												Mid-Year	25 MI/day	23.18 MI/day	2	Refer to page 11	Refer to page 11	
												Q3	25 MI/day	31.51 MI/day	3	NA	NA	
												Q4	25 MI/day	36.35 MI/day	3	NA	NA	

Key Focus Area/Goal		Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2024/25	Portfolio of Evidence	2024/25 Annual Target	Annual Budget 2024/25 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
												Annual	25 Ml/day	30.01 Ml/day	3	NA	NA
Service Delivery: Sustainable Livelihoods and resilient Infrastructure	Wastewater Supply	All	4	OBJ 3	10	90%	Percentage compliance in the treatment of sewerage at Wastewater Treatment Works in terms of Anglo/DWS license agreement	90%	4 tables on water quality + lab certificates	R1 235 144.14	Q1 Q2 Mid-Year Q3 Q4 Annual	90%	71.30%	2	Refer to page 12-15	Refer to page 12-15	
												Q2	90%	69.33%	2	Refer to page 12-15	Refer to page 12-15
												Mid-Year	90%	70.31%	2	Refer to page 12-15	Refer to page 12-15
												Q3	90%	65.66%	2	Refer to page 12-15	Refer to page 12-15
												Q4	90%	82.42%	2	Refer to page 12-15	Refer to page 12-15
												Annual	90%	71.05%	2	Refer to page 12-15	Refer to page 12-15
Service Delivery: Sustainable Livelihoods	Water Purification	All	5	OBJ 3 + 4	5	Number of water treatment	2	2 x log sheets of volumes for	2	R17 078 000.49	Q1	2	2	3	NA	NA	
											Q2	2	2	3	NA	NA	

Key Focus Area/Goal		Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2024/25	Portfolio of Evidence	2024/25 Annual Target	Annual Budget 2024/25 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
and resilient Infrastructure							works operated		Bospoort and Kloof		R711 544.10	Mid-Year	2	2	3	NA	NA
												Q3	2	2	3	NA	NA
												Q4	2	2	3	NA	NA
												Annual	2	2	3	NA	NA
Service Delivery: Sustainable Livelihoods and resilient Infrastructure		Water Purification	All	6.1	OBJ 3 + 4	5	% Plant availability of water purification plants maintained in terms of agreed standards	85%	2 reports for Bospoort and Kloof assessing 10 selected items	85%	R711 544.10	Q1	85%	98.33%	3	NA	NA
												Q2	85%	96.66%	3	NA	NA
												Mid-Year	85%	97.49%	3	NA	NA
												Q3	85%	96.66%	3	NA	NA
												Q4	85%	91.67%	3	NA	NA
												Annual	85%	95.83%	3	NA	NA
Service Delivery: Sustainable Livelihoods and resilient Infrastructure		Water Purification	All	6.2	OBJ 3 + 4	5	Number of water purification plants maintained in terms of the Trust Deed	2	Maintenance history for Bospoort and Kloof	2	R3 929 755.99	Q1	2	2	3	NA	NA
												Q2	2	2	3	NA	NA
												Mid-Year	2	2	3	NA	NA
												Q3	2	2	3	NA	NA
												Q4	2	2	3	NA	NA

Key Focus Area/Goal		Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2024/25	Portfolio of Evidence	2024/25 Annual Target	Annual Budget 2024/25 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
												Annual	2	2	3	NA	NA
Service Delivery: Sustainable Livelihoods and resilient Infrastructure		Water Supply	All	7	OBJ 4	10	Volume of potable water supplied to RLM in accordance with the Water Supply Agreement	Average 10.8 Ml/day	2 x log sheets for Bospoort and Kloof	Average 10.8 Ml/day	R17 078 000.47	Q1	Average 10.8 Ml/day	12.76 Ml/day	3	NA	NA
												Q2	Average 10.8 Ml/day	12.03 Ml/day	3	NA	NA
												Mid-Year	Average 10.8 Ml/day	12.39 Ml/day	3	NA	NA
												Q3	Average 10.8 Ml/day	11.36 Ml/day	3	NA	NA
												Q4	Average 10.8 Ml/day	12.12 Ml/day	3	NA	NA
												Annual	Average 10.8 Ml/day	12.07 Ml/day	3	NA	NA
Service Delivery: Sustainable Livelihoods		Water Supply	All	8	OBJ 4	10	Percentage compliance in the treatment of water at	95%	2 x water quality reports	95%	R292 349.57	Q1	95%	100%	3	NA	NA
												Q2	95%	98.82%	3	NA	NA

Key Focus Area/Goal		Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2024/25	Portfolio of Evidence	2024/25 Annual Target	Annual Budget 2024/25 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures
and resilient Infrastructure							Water Treatment Works in terms of SANS standards		and lab certificates		Mid-Year	95%	99.41%	3	NA	NA	
							Q3					95%	96.46%	3	NA	NA	
							Q4					95%	100%	3	NA	NA	
							Annual					95%	98.82%	3	NA	NA	
Financial		Financial	All	9	OBJ 3	5	Maintain a debt service ratio covenant - to ensure cost effectiveness.	1.5	Quarterly financial statement, refer to DSCR	1,5 times	1,5 times	Q1	>1,5	>1,5	3	NA	NA
							Q2					>1,5	>1,5	3	NA	NA	
							Mid-Year					>1,5	>1,5	3	NA	NA	
							Q3					>1,5	>1,5	3	NA	NA	
							Q4					>1,5	>1,5	3	NA	NA	
							Annual					>1,5	>1,5	3	NA	NA	
Good Governance		Good Governance	All	10		5	Percentage implementation of the Post Audit Action Plan (PAAP)	New	Quarterly PAAP implementation Report	100%	R0	Q1	100%	90%	2	Refer to page 25	Refer to page 25
							Q2					100%	90%	2	Refer to page 25	Refer to page 25	
							Mid-Year					100%	90%	2	Refer to page 25	Refer to page 25	
							Q3					100%	90%	2	Refer to page 25	Refer to page 25	

Key Focus Area/Goal			Strategies	Area/Ward Serviced	KPI No:	IDP Ref	Weight	Key Performance Indicator (KPI)	Baseline 2024/25	Portfolio of Evidence	2024/25 Annual Target	Annual Budget 2024/25 R'000	Period	Target	Performance	Score out of 3	Reasons for Variance (if any)	Remedial Measures									
													Q4	100%	91.67%	2	Refer to page 25	Refer to page 25									
													Annual	100%	90.83%	2	Refer to page 25	Refer to page 25									
	Total						100							Q1	33/36												
							Q2							33/36													
							Mid-Year							33/36													
							Q3							33/36													
							Q4							33/36													
							Annual							/36													

Key Performance Areas (KPAs)	KPI No.	KPA Weightings	KPI Score	Assess Weightings	Weighted Score	Panel Score
Number of functional sewer purification plants operated in terms of Trust Deed	1	3	3/3	100%	3/3	
Number of sewer purification plants maintained in terms of agreed standards	2.1	3	3/3	100%	3/3	
Plant availability of sewer purification plants maintained in terms of agreed standards	2.2	3	3/3	88.47%	3/3	
Volume of treated wastewater supplied to the industrial water off-takers in terms of the Off-take Agreement	3	3	3/3	100%	2/3	
Percentage compliance in the treatment of sewerage at Wastewater Treatment Works in terms of DWS license agreement	4	3	2/3	71.05%	2/3	
Number of water treatment works operated in terms of agreed standards	5	3	3/3	100%	3/3	
Plant availability: Number of water treatment works maintained	6.1	3	3/3	95.83%	3/3	
Plant maintenance of water treatment works maintained	6.2	3	3/3	100%	3/3	
Volume of potable water supplied to RLM in accordance with the Water Supply Agreement	7	3	3/3	100%	3/3	
Percentage compliance in the treatment of water at Water Treatment Works in terms of DWS license	8	3	3/3	98.82%	3/3	
Debt Service Cover Ratio >1,5 times	9	3	3/3	100%	3/3	
Good Governance	10	3	2/3	90.83%	2/3	
Total KPA		36	36	95.41%	34/36	

### Signatures

Signed and Accepted BY THE trust accounting officer	RECOMMENDED BY rlm internal audit	Signed and Accepted on behalf of Council
Name: MR MOABI PITSI	Name:	Name: Advocate AR KHUDUGE
Signature:	Signature:	SIGNATURE:
Date:	Date:	DATE:

## NUMBER OF SEWER PURIFICATION PLANTS OPERATED IN TERMS OF AGREED STANDARDS

RWST is responsible for the operation of the four-waste water treatment works, namely -

Rustenburg Wastewater Treatment Works	(42 Mℓ/d design capacity)
Boitekong Wastewater Treatment Works	(24 Mℓ/d design capacity)
Monakato Wastewater Treatment Works	(1 Mℓ/d design capacity)
Lethabong Wastewater Treatment Works	(2 Mℓ/d design capacity)

Water and Sanitation Services South Africa (Pty) Ltd, trading as Water Solutions Southern Africa (WSSA) has been contracted by the Rustenburg Water Services Trust (RWST) for the operation of these plants.

The average volumes treated by each plant for the period under review, are captured below and are dependent on the inflow into the plant.

Table: 1 Waste Water Volumes Treated

PLANT	CAPACITY	1 July 2023 – 30 June 2024	1 July 2024 – 30 June 2025
Rustenburg WWTW	42 Mℓ/d	30.00Mℓ/d	44.35Mℓ/d
Boitekong WWTW	24 Mℓ/d	7.28Mℓ/d	9.09Mℓ/d
Monakato WWTW	1 Mℓ/d	1.59Mℓ/d	1.61Mℓ/d
Lethabong WWTW	2 Mℓ/d	1.43Mℓ/d	0.91Mℓ/d

All four WWTW were operated in terms of the agreed standards.

## KPI 2.1: NUMBER OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF THE TRUST DEED.

There are 4 (four) wastewater treatment works maintained in terms of agreed standards, namely: Rustenburg, Boitekong, Monakato, Lethabong Wastewater Treatment Works.

The RWST maintained 4 (four) wastewater treatment works in 2024/2025 and during the financial year under review. The operation and maintenance contractor, WSSA is responsible for the maintenance at the plants and maintenance is done regularly to ensure that the plants always perform optimally.

Maintenance records and job cards for each of the waste water treatment works are completed and filed by the Maintenance Manager and this information is reviewed quarterly by Rustenburg Local Municipality Internal Audit, on site.

Table: 2 Maintenance records and job cards

PLANT	1 July 2023 – 30 June 2024	1 July 2024 – 30 June 2025
Rustenburg WWTW	4	4
Boitekong WWTW	4	4
Monakato WWTW	4	4
Lethabong WWTW	4	4

#### KPI 2.2: PLANT AVAILABILITY OF SEWER PURIFICATION PLANTS MAINTAINED IN TERMS OF AGREED STANDARDS.

The successful operation of a Wastewater Treatment Works is largely dependent on the installed machinery and equipment to ensure that the wastewater can be treated according to the process the plant was designed for.

It is thus vital that all machinery and equipment be kept in good working condition and available for use when required.

Regular servicing and preventative maintenance however require that equipment be taken out of service for a certain period. It will thus not always be possible to obtain a 100% of all equipment availability and the target of 85% availability is set.

Monthly spot checks are performed by RWST for Boitekong, Lethabong, Monakato WWTW and weekly for Rustenburg WWTW, due to the size of the plant. The availability of the four wastewater treatment works is indicated below:

Table: 3 Plant availability

PLANT	CAPACITY	AVAILABILITY		
		Target	1 July 2023 – 30 June 2024	1 July 2024 – 30 June 2025
Rustenburg WWTW	42 Mℓ/d	85%	94.20%	93.88%
Boitekong WWTW	24 Mℓ/d	85%	94.16%	88.33%
Monakato WWTW	1 Mℓ/d	85%	83.33%	80%
Lethabong WWTW	2 Mℓ/d	85%	93.33%	91.67%
Overall plant availability		92.63%	88.47%	

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#### Performance review –

Rustenburg, Boitekong and Lethabong WWTW met the set target of 85%.

Monakato did not meet the set target of 85%.

#### Reasons for variance –

There was no power at Monakato WWTW from 17 January to 9 May 2025, due to Eskom supply issues. A total of (2879 hours) between July 2024 and June 2025. In addition to all other power interruptions the plant experienced a total of 2879 hours without power for this period.

Excessive high inflow volumes and Monakato WWTW is performing above the design capacity. Outside RWST jurisdiction.

#### Remedial Measures

Constant communication was required with Eskom and RLM to resolve the power supply issues.

### **KPI 3: VOLUME OF TREATED WASTEWATER SUPPLIED TO THE INDUSTRIAL WATER OFF-TAKERS IN TERMS OF THE OFF-TAKE AGREEMENT**

As per off-take agreement between the RWST and the mines, a total of 25 Mℓ/d treated effluent water from the Rustenburg WWTW is to be made available for use as process water. Of this 10 Mℓ/d is allocated to Impala and 15 Mℓ/d to Anglo Platinum.

The average supplied volume is detailed in the table below.

Table 4: Average daily supply of treated effluent

Mine	Average available 1 July 2023 – 30 June 2024	Average used 1 July 2023 – 30 June 2024	Average available 1 July 2024 – 30 June 2025	Average used 1 July 2024 – 30 June 2025
Anglo Platinum	12.20 Mℓ/d	10.32 Mℓ/d	13.89 Mℓ/d	12.46 Mℓ/d
Impala	9.78 Mℓ/d	8.31 Mℓ/d	16.11 Mℓ/d	10.45 Mℓ/d
Total	21.98 Mℓ/d	18.63 Mℓ/d	30.01 Mℓ/d	22.91 Mℓ/d

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Performance review -

Rustenburg WWTW achieved the average combined target of 25 Mℓ/d.

Reasons for variance -

None required

Remedial Measures -

None required

#### **KPI 4: PERCENTAGE COMPLIANCE IN THE TREATMENT OF SEWERAGE AT WASTEWATER TREATMENT WORKS IN TERMS OF DWS LICENSE AGREEMENT**

Water discharged from the wastewater treatment works needs to comply with the relevant Department of Water and Sanitation (DWS) Water Use License requirements.

##### **2.5.1 BOITEKONG WASTEWATER TREATMENT WORKS**

Table 5: New DWS License conditions for Boitekong WWTW

Determinant	Performance standard
pH	6.0 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 30 mg/ℓ
Ammonia	< 0.1 mg/ℓ

Table 6: Performance of Boitekong WWTW for the period under review.

Determinant	Performance standard	Previous Performance 01 July 2023 - 30 June 2024		Current Performance 01 July 2024 - 30 June 2025		
		Performance achieved	Compliance %	New Performance standard	Performance achieved	Compliance %
pH	6.5 - 8.5	7.56-8.10	100%	6.5-8.5	7.44—8.09	100%
Elec. Conductivity	<150 mS/m	44-207 mS/m	83.33%	< 150 mS/m	94-179 mS/m	66.67%
COD	< 30 mg/ℓ	15-142 mg/ℓ	91.66%	< 30 mg/ℓ	15-102 mg/ℓ	58.33%
Ammonia	<0.1 mg/ℓ	0.10-33.90 mg/ℓ	83.33%	< 0.1 mg/ℓ	0.12-44.40 mg/ℓ	66.67%
Nitrate	< 10 mg/ℓ	0.05-13.30 mg/ℓ	100%	< 10 mg/ℓ	0.20-7.20 mg/ℓ	100%
Suspended Solids	< 25 mg/ℓ	2-24 mg/ℓ	100%	< 25 mg/ℓ	2-20 mg/ℓ	100%
Faecal Coliform	<150CFU/100mℓ	0-100 / 100mℓ	100%	<150CFU/100mℓ	0-15 / 100mℓ	100%
Free Chlorine	< 0.25 mg/ℓ	0.16-0.28 mg/ℓ	83.33%	< 0.25 mg/ℓ	0.16-0.27 mg/ℓ	75%

Orthophosphate	< 1.0 mg/l	0.05-17.70 mg/l	50%	< 1.0 mg/l	0.50-13.30 mg/l	66.67%
OVERALL COMPLIANCE			87.96%			81.48%

Performance review -

Boitekong WWTW did not meet the overall quality target of 90% over this period.

Reasons for variance-

Sewer blockages outside RWST jurisdiction

Intermittent flow due to water restrictions: there is no water at night.

Remedial measures-

RLM to appoint a Contractor to unblock main sewer line.

RWST repaired pipe breaks to improve flows into the plant.

RWST unblocking sewers.

## 2.5.2 LETHABONG SEWAGE TREATMENT PLANT

Table 7: DWS License conditions for Lethabong WWTW

Determinant	Performance standard
pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l

Table 8: Performance of Lethabong WWTW for the period under review.

Determinant	Performance standard	Previous Performance 01 July 2023 - 30 June 2024		Current Performance 01 July 2024 - 30 June 2025	
		Performance achieved	Compliance %	Performance achieved	Compliance %
pH	6.5 - 8.5	7.58-9.26	91.66%	7.70-8.53	91.67%
Elec. Conductivity	<150mS/m	64-453 mS/m	91.66%	77-114 mS/m	100%
COD	< 75 mg/l	15-37 mg/l	100%	15-30 mg/l	100%
Ammonia	<1 mg/l	0.10-1.99 mg/l	83.33%	0.10-1.25 mg/l	75%
Nitrate	< 15 mg/l	0.2-39.0 mg/l	91.66%	1.1-14.9 mg/l	100%
Suspended Solids	< 25 mg/l	2-31mg/l	91.66%	2-6 mg/l	100%
Faecal Coliform	< 0/100ml	0-240 / 100ml	66.66%	0-100 / 100ml	58.33%
Free Chlorine	< 0.25 mg/l	0.08-0.48 mg/l	41.66%	0.23-0.30 mg/l	Non-compliant
Orthophosphate	< 1.0 mg/l	1.17-7.30 mg/l	Non-compliant	0.50-10.60 mg/l	16.67%
OVERALL COMPLIANCE		73.14%		71.30%	

Performance review -

Lethabong WWTW did not meet the overall quality target of 90%.

Reasons for variance -

Extremely low inflow volumes, due to numerous sewer blockages, outside the jurisdiction of RWST.

High rate of power failures, a total of 305 hours during the period under review.

Remedial Measures -

Issue of sewer blockages has been reported to and discussed with RLM; further urgent action required by RLM.

The water and sewer reticulation systems in Lethabong need to be rehabilitated and refurbished by RLM.

RLM had appointed a contractor in March 2023, for the upgrade of the plant. Construction is ongoing.

### 2.5.3 MONAKATO SEWAGE TREATMENT PLANT

Table 9: DWS License conditions for Monakato WWTW

Determinant	Performance standard
pH	6.5 - 8.5
Elec. Conductivity	< 150 mS/m
COD	< 75 mg/l
Ammonia	< 1 mg/l

Table 10: Performance of Monakato WWTW for the period of review.

Determinant	Performance standard	Previous Performance 01 July 2023 - 30 June 2024		Current Performance 01 July 2024 - 30 June 2025	
		Performance achieved	Compliance %	Performance achieved	Compliance %
pH	6.5 - 8.5	7.51-8.93	75%	7.36-9.92	91.67%
Elec. Conductivity	<150 mS/m	66-205 mS/m	91.66%	69-779 mS/m	75%
COD	< 75 mg/l	15-102 mg/l	33.33%	15-131 mg/l	50%
Ammonia	<1 mg/l	2.10-14.40 mg/l	Non-compliant	0.12-19.40 mg/l	16.67%
Nitrate	< 15 mg/l	0.10-3.77 mg/l	100%	0.10-2.80 mg/l	100%
Suspended Solids	< 25 mg/l	13-177 mg/l	25%	6-52 mg/l	66.67%
Faecal Coliform	< 0/100ml	0-200 / 100ml	75%	0-46 / 100ml	75%
Free Chlorine	< 0.25 mg/l	0.01-0.27 mg/l	75%	0.20-0.26 mg/l	16.67%
Orthophosphate	< 1.0 mg/l	0.50-3.09 mg/l	8.3%	0.50-16.80 mg/l	25%
OVERALL COMPLIANCE		53.69%		57.41	

Performance review -

Monakato WWTW did not meet the overall quality target of 90% but improved slightly from the previous year.

Reasons for variance –

Excessively high inflow volumes - above design capacity of the Works. Outside the jurisdiction of RWST.

Excessive power failures, total of 2879 hours during the period under review. The plant had no power 17 January – 9 May 2025.

Remedial Measures –

Recent plant upgrade executed by RLM is not as per the business plan, capacity not increased as required. The matter has been discussed with RLM and further action required by RLM.

high inflows possibly caused by excessive storm water ingress has been discussed with RLM, further action required by RLM.

#### 2.5.4 RUSTENBURG SEWAGE TREATMENT PLANT

Table 11: DWS License conditions: Rustenburg WWTW

Determinant	Performance standard
pH	< 6 - 9
Elec. Conductivity	<75 mS/m
COD	<75 mg/l
Ammonia	<1 mg/l

Table 12: Performance of Rustenburg WWTW for the period of review

Determinant	Performance standard	Previous Performance 01 July 2023 - 30 June 2024		Current Performance 01 July 2024 - 30 June 2025		
		Performance achieved	Compliance %	New Performance standard	Performance achieved	Compliance %
pH	6-9	7.08-8.07	100%	6 - 9	7.30-8.07	100%
Elec. Conductivity	75mS/m	74.30-110.00 mS/m	8.3%	75mS/m	66.60-110.00 mS/m	25%
COD	75 mg/l	14.60-41.00 mg/l	100%	75 mg/l	14.60-32 mg/l	100%
Ammonia	1 mg/l	0.10-31.30 mg/l	66.66%	1 mg/l	0.10-14.50 mg/l	75%
Nitrate	0-6 mg/l	0.10-31.40 mg/l	75%	0-6 mg/l	1.10-9.80 mg/l	83.33%
Suspended Solids	25 mg/l	2-10 mg/l	100%	25 mg/l	2.00-2.00 mg/l	100%
E-coli	150counts / 100ml	0-200 / 100ml	83.33%	150counts/100 ml	0-200 / 100ml	83.33%
Free Chlorine	0.1 mg/l	0.02-1.80 mg/l	58.33%	0.1 mg/l	0.03-0.15 mg/l	100%
Orthophosphate	1.0 mg/l	0.07-15.20 mg/l	25%	1.0 mg/l	0.10-12.50 mg/l	50%
OVERALL COMPLIANCE		68.51%				79.63%

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Rustenburg WWTW did not meet the set quality target of 90%.

Reasons for variance –

Unrealistic license conditions on electrical conductivity and orthophosphates introduced in 2022 by DWS.

Sporadic inflow of poor water quality because of industrial effluent

Remedial Measures –

Industrial flow quality is monitored daily, and issues addressed with relevant industries.

RWST is in consultation with DWS to revise the license conditions.

Table 13: Summary of the quality performance achieved by the 4 WWTW for the period of review, is tabled below:

PLANT	CAPACITY	PERFORMANCE		
		TARGET	JULY 2023 – JUNE 2024	JULY 2024 – JUNE 2025
Rustenburg WWTW	42 Mℓ/d	90%	68.52%	79.63%
Boitekong WWTW	24 Mℓ/d	90%	81.55%	81.48%
Monakato WWTW	1 Mℓ/d	90%	52.80%	53.67%
Lethabong WWTW	2 Mℓ/d	90%	73.16%	69.44%
Overall performance		69.00%	71.05%	

## 2.5.5 Effluent Quality (Anglo Platinum standards)

In terms of an amended agreement with the Anglo Platinum, the 15 Mℓ/d treated effluent supplied is further treated in the dissolved air flotation (DAF) unit to meet the following standards:

Table 14: Anglo Platinum Quality Standards

PARAMETER	UNIT	CONTRACTED QUALITY	
		MAXIMUM	REJECT
pH	pH Units	7.5 Min - 7.8 Max	6.8 Min - 8.2 Max
TOC	mg/ℓ	20	> 25
COD	mg/ℓ	60	> 75
TSS	mg/ℓ	8	> 10

Alkalinity	mg/l	300	> 350
Ammonia	mg/l	5	> 10
Nitrate	mg/l	10	> 15
O-Phosphate	mg/l	9	> 10
Fats	mg/l	4	> 5
TDS	mg/l	1800 (150 $\mu$ S/m)	> 2000 (200 $\mu$ S/m)
Ca	mg/l	350	> 400
Mg	mg/l	75	> 100
Na	mg/l	150	> 400
SO <sub>4</sub>	mg/l	200	> 300
Cl	mg/l	450	> 500
Turbidity	NTU	10	> 15
E. coli	CFU/100ml	0	> 1000
Total Plate Count	CFU/100ml	1000	> 10000

The water quality is monitored daily.

Table 14 below gives an indication of the performance of the DAF plant during the period under review, 1 July 2024 to 30 June 2025, and includes the performance of the previous period.

Table 15: Quality Measurement at Rustenburg Wastewater Treatment Works (Anglo Standards)

Determinant	Performance standard	Previous Performance 01 July 2023 - 30 June 2024		Current Performance 01 July 2024 - 30 June 2025	
		Performance achieved	Compliance %	Performance achieved	Compliance %
pH	7.5 - 7.8 pH-Units	7.35-8.07 pH-Units	33.33%	7.40-7.98 pH-Units	50%
TOC	< 20 mg/ℓ	4.79-9.40 mg/ℓ	100%	3.20-11.30 mg/ℓ	100%
COD	<60 mg/ℓ	14.60-35.00 mg/ℓ	100%	15.00-32.00 mg/ℓ	100%
TSS	< 8 mg/ℓ	2-12 mg/ℓ	83.33%	2.00-6.00 mg/ℓ	100%
Alkalinity	<300 mg/ℓ	128.00-221.00 mg/ℓ	100%	118-147 mg/ℓ	100%
Ammonia	< 5 mg/ℓ	0.10-25.60 mg/ℓ	75%	0.10-3.90 mg/ℓ	100%
Nitrate	< 10 mg/ℓ	6.24-40.30 mg/ℓ	58.33%	4.65-16.10 mg/ℓ	58.33%
O-Phosphate	< 9 mg/ℓ	1.09-4.67 mg/ℓ	100%	0.50-3.55 mg/ℓ	100%
Fats	< 4 mg/ℓ	0.50-0.50 mg/ℓ	100%	0.50-0.50 mg/ℓ	100%
TDS	<1800 mg/ℓ	557.00-767.00 mg/ℓ	100%	398-748 mg/ℓ	100%
Ca	0 - 350 mg/ℓ	38.10-53.00 mg/ℓ	100%	33.20-54.10 mg/ℓ	100%
Mg	0 - 75 mg/ℓ	29.10-36.40 mg/ℓ	100%	25.80-36.40 mg/ℓ	100%
Na	0 -150 mg/ℓ	77.70-129.00 mg/ℓ	100%	37.50-119.00 mg/ℓ	100%
SO4	0 – 200 mg/ℓ	9.20-164.00 mg/ℓ	100%	62.60-195 mg/ℓ	100%
Cl	0 – 450 mg/ℓ	109.00-160.00 mg/ℓ	100%	19.80-141.00- mg/ℓ	100%
Turbidity	0 - 10 NTU	1.05-11.00 NTU	91.66%	1.27-3.60 NTU	100%
E. coli	0 CFU/100mℓ	0-200CFU/100mℓ	41.66%	0-200 CFU/100mℓ	100%
Total Plate Count	0- 1000CFU/100 mℓ	0- 1000CFU/100mℓ	100%	0-1000 CFU/100mℓ	100%
OVERALL COMPLIANCE		87.96%		94.91%	

Performance review -

Rustenburg WWTW (DAF) met the set quality target of 90%.

Reasons for variance –

None required

Remedial Measures –

None required

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## KPI 5: NUMBER OF WATER TREATMENT WORKS OPERATED

RWST is responsible for the operation and maintenance of the following two water treatment plants:

Kloof Water Treatment Works (2 Mℓ/d design capacity)

Bospoort Water Treatment Works (12 Mℓ/d design capacity)

Water and Sanitation Services South Africa (Pty) Ltd, trading as Water Solutions Southern Africa (WSSA) has been contracted by the Rustenburg Water Services Trust (RWST) for the operation of these plants.

The volumes treated by each plant for the period under review are captured below.

Table 16: Volumes treated by each plant for the period under review are captured below:

PLANT	CAPACITY	1 July 2023 – 30 June 2024	1 July 2024 – 30 June 2025
Bospoort WTW	12 Mℓ/d	11.18Mℓ/d	11.38Mℓ/d
Kloof WTW	2 Mℓ/d	0.95Mℓ/d	0.69Mℓ/d

## KPI 6.1: PLANT AVAILABILITY, NUMBER OF WATER TREATMENT WORKS MAINTAINED

There are 2 (two) water purification plants maintained in terms of agreed standards, namely Bospoort and Kloof Water Purification Works.

The RWST maintained 2 (two) water treatment works in 2023/2024 and during the financial year under review. The operation and maintenance contractor, WSSA is responsible for the maintenance at the plants and maintenance is done regularly to ensure that the plants perform optimally at all times.

Maintenance records and job cards for each of the water treatment works are completed and filed by the Maintenance Manager and this information is reviewed by Rustenburg Local Municipality Internal Audit quarterly, on site.

Table 17: Maintenance records and job cards

PLANT	1 July 2023 – 30 June 2024	1 July 2024 – 30 June 2025
Bospoort WTW	2	2
Kloof WTW	2	2

## KPI 6.2: PLANT MAINTENANCE OF WATER TREATMENT WORKS MAINTAINED

successful operation of a Water Treatment Works is largely dependent on the installed machinery and equipment to ensure that the water can be treated according to the process the plant was designed for.

It is thus vital that all machinery and equipment be kept in good working condition and available for use when required.

Regular servicing and preventative maintenance however require that equipment be taken out of services for a certain period. It will thus not always be possible to obtain a 100% of all equipment availability and the target of 85% availability is set.

RWST has contracted WSSA to operate and maintain the two water treatment plants under its control.

Monthly spot checks are performed by RWST to verify availability. The availability of the four wastewater treatment works is indicated below.

Table 18: Availability of the 2 Water Treatment Plants

PLANT	CAPACITY	AVAILABILITY		1 July 2024 – 30 June 2025
		TARGET	1 July 2023 – 30 June 2024	
Bospoort WTW	12 Mℓ/d	85%	95.83%	95.8%
Kloof WTW	2 Mℓ/d	85%	99.16%	95.83%
Overall plant availability			97.49%	95.83%

Performance review -

Both plants exceeded the target of 85%.

Reasons for variance -

None required.

Remedial Measures -

None required.

#### **KPI 7: VOLUME OF POTABLE WATER SUPPLIED TO RLM IN ACCORDANCE WITH THE WATER SUPPLY AGREEMENT**

Bospoort Water Treatment Works has a design capacity of 12 Mℓ/d and Kloof Water Treatment Works a capacity of 2 Mℓ/d. WSSA has been contracted by the RWST for the operation of these plants.

The M & E upgrade was put out on tender in November 2024. No compliant tender was received.

A retender process will start in July 2025.

The average volumes of water supplied to RLM is in accordance with the water supply agreement for the period under review, is tabled below.

Table 19: Average volumes of water supplied to RLM

PLANT	CAPACITY	PERFORMANCE		1 July 2024 – 30 June 2025
		Combined target: 10.8 Mℓ/d	1 July 2023 – 30 June 2024	
Bospoort WTW	12 Mℓ/d	9.6 Mℓ/d	11.18Mℓ/d	11.38Mℓ/d
Kloof WTW	2 Mℓ/d	1.2 Mℓ/d	0.95Mℓ/d	0.69Mℓ/d
Combined volume			12.13Mℓ/d	12.07Mℓ/d

Performance review -

Bospoort WTW met the required production rate for the period under review.

Reasons for variance –

Kloof is affected by power failures with a total of 425.53 hours of no power during the period under review.

Remedial Measures -

Power supply infrastructure has been improved by RLM.

#### **KPI 8: PERCENTAGE COMPLIANCE IN THE TREATMENT OF WATER FOR POTABLE USE IN TERMS OF DWS STANDARDS**

The required standards both Bospoort Water Treatment Works and Kloof Water Treatment Works are regulated by SANS 241.

In accordance with the water supply agreement, RWST must supply potable water from the Bospoort and Kloof Water Treatment Works, which is fully compliant with SANS 241, as in table 18 below.

Table 20: SANS 241 Standards

SANS 241 Determinant	Performance standard
Colour Pt-Co	< 15
Treated Conductivity (mS/m)	< 170 mS/m
TDS	< 1200 mg/ℓ
pH	> 5.0 < 9.7 pH Units
Turbidity NTU	< 1 NTU
Calcium (mg/ℓ)	< 150 mg/ℓ
Faecal Coliform	< 0 /100mℓ
Chloride (mg/ℓ)	< 300 mg/ℓ
Fluoride (mg/ℓ)	< 1.5 mg/ℓ
Magnesium (mg/ℓ)	< 70 mg/ℓ

Sulphate (mg/l)	< 250 mg/l
Heterotrophic Plate Count cfu/ml	< 1000 /ml
Total Coliform cfu/100ml	< 10 cfu/100ml
Free Chlorine (mg/l)	< 5 mg/l

## BOSPOORT WTW

Table 21: The quality performance achieved by Bospoort WTW for the period of review is tabled below.

Determinant	Performance standard (SANS 241)	Previous Performance		Current Performance	
		01 July 2023 - 20 June 2024	Performance achieved	01 July 2024 - 20 June 2025	Compliance %
Colour Pt-Co	<15	7-10	100%	6.99-13	100%
Treated Conductivity (mS/m)	<170 mS/m	99-124 mS/m	100%	75-140 mS/m	100%
TDS	<1200 mg/l	666-830 mg/l	100%	501-937 mg/l	100%
pH (pH units)	>5.0 <9.7	7.83-8.44	100%	7.68-8.15	100%
Turbidity NTU	<1	0.30-1.80	91.66%	0.30-1.80	91.66%
Calcium (mg/l)	<150 mg/l	59.8-99.1 mg/l	100%	54.7-99.2 mg/l	100%
Faecal Coliform	<0 cfu/100ml	0 - 0 cfu/100ml	100%	0 - 0 cfu/100ml	100%
Chloride (mg/l)	<300 mg/l	127-161 mg/l	100%	86-185 mg/l	100%
Fluoride (mg/l)	<1.5 mg/l	0.13-0.29 mg/l	100%	0.10-0.27 mg/l	100%
Magnesium (mg/l)	<70 mg/l	39.0-49.6 mg/l	100%	23.3-51.9 mg/l	100%
Sulphate (mg/l)	<250 mg/l	149-210 mg/l	100%	101-158 mg/l	100%
Heterotrophic Plate Count cfu/ml	<1000 cfu/ml	0-323 cfu/ml	100%	0-185 cfu/ml	100%
Total Coliform cfu/ml	<10 cfu/100 ml	0-9 cfu/100ml	100%	0-5 cfu/100ml	100%
Free Chlorine (mg/l)	<5 mg/l	1.15-2.14 mg/l	100%	1.26-2.65 mg/l	100%
OVERALL COMPLIANCE:		99.40%		99.40%	

Performance review –

Bospoort WTW met the set target of 95%.

Reasons for variance -

None required.

Remedial measure-

None required.

### KLOOF WTW

The Kloof Water Treatment Works is a small, very old facility that used to be one of the first sources of potable water to Rustenburg. It is fed from the Dorpspruit, which originates in the Magalies mountain range from springs, and the water quality is normally of a very high standard.

Table 22: The quality performance achieved by Kloof WTW for the period of review is tabled below.

Determinant	Performance standard (SANS 241)	Previous Performance 01 July 2022 - 30 June 2024		Current Performance 01 July 2024 - 30 June 2025	
		Performance achieved	Compliance %	Performance achieved	Compliance %
Colour Pt-Co	<15	6.99-7.77	100%	6.99-10.00	100%
Treated Conductivity (mS/m)	<170mS/m	8.33-14.78 mS/m	100%	8.93-17.00 mS/m	100%
TDS	<1200 mg/l	56.00-99.00 mg/l	100%	59.75-140.00	100%
pH	>5.0 <9.7 pH Units	77.31-8.21 pH Units	100%	7.30-8.76 pH Units	100%
Turbidity NTU	<1 mg/l	0.30-0.84 mg/l	100%	0.30-1.95 mg/l	91.66%
Calcium (mg/l)	<150 mg/l	2.00-6.84 mg/l	100%	3.67-20.30 mg/l	100%
Faecal Coliform	<0 cfu/100ml	0-9 cfu/100ml	91.66%	0-51 cfu/100ml	91.66%
Chloride (mg/l)	<300 mg/l	5.19-20.76 mg/l	100%	6.39-13.60 mg/l	100%
Fluoride (mg/l)	<1.5 mg/l	0.08-0.60 mg/l	100%	0.10-0.62 mg/l	100%
Magnesium (mg/l)	<70 mg/l	2.53-7.73 mg/l	100%	2.96-10.00 mg/l	100%
Sulphate (mg/l)	<250 mg/l	0.96-24.87 mg/l	100%	3.09-18.50 mg/l	100%
Heterotrophic Plate Count cfu/100ml	<1000 cfu/ml	0-251 cfu/ml	100%	0-1000 cfu/ml	100%
Total Coliform cfu/100ml	<10 cfu/100ml	0-191 cfu/100ml	91.66%	0-89 cfu/100ml	91.66%
Free Chlorine (mg/l)	<5 mg/l	0.10-0.71 mg/l	100%	0.17-0.26 mg/l	100%
OVERALL COMPLIANCE:		98.80%			98.21%

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Performance review -

Kloof met the set target of 95%.

Reasons for variance -

None required.

Remedial Measures -

None required.

Table 23: Summary of the quality performance achieved by the 2 WTW for the period of review, is tabled below.

PLANT	CAPACITY	Target @ 90% capacity	PERFORMANCE	
			1 July 2023 – 30 June 2024	1 July 2024 – 30 June 2025
Bospoort WTW	12 Mℓ/d	95%	99.40%	99.40%
Kloof WTW	2 Mℓ/d	95%	98.80%	98.21%
Overall performance			99.10%	98.80%

Performance review –

Both Bospoort and Kloof WTW met the set target of 95%.

Reasons for variance -

None required.

Remedial measure-

None required.

#### **KPI 9: FINANCIAL PERFORMANCE**

Annual financial statements for the period ending 30 June 2025 are prepared and submitted to RLM IA by the RWST CFO.

#### **KPI 10: GOOD GOVERNANCE**

The status of the actions from the Auditor General's findings from the 2023/24 audit, for the Trust, is reflected in the table below.

**Table 24: Summary of Post Audit Action Plan**

<b>RUSTENBURG WATER SERVICES TRUST POST AUDIT ACTION PLAN</b> <b>2023 - 2024</b>		
<b>No</b>	<b>AG Finding</b>	<b>Status</b>
1	Management and parent municipality of the entity entity did not ensure compliance with Paragraph 95 (1) (c) (i) to (ii) of the Municipal Finance Management Act No 56 of 2003 and MSA 93B(a), MFMA 87(5)(d), MSA 93B(a), MFMA 87(5)(d)(i)&(iii), MSA 93C(a)(iv),	Resolved
2	Management should implement proper deviation process for the awarding of contracts that did not follow a quotation or competitive bidding process	Resolved
3	Irregular Expenditure on WSSA Len Dekker Deviation from competitive bidding (CoAF 24)	Resolved
4	Irregular Expenditure on Repairs Expenditure (CoAF 18)	Resolved
5	Consequence management Prior year reported Irregular fruitless expenditure (CoAF 10)	Resolved
6	No approved service delivery agreement and multiyear business plan (CoAF 1)	Resolved
7	Limitation of scope: Disposal of fixed assets receipts not provided (CoAF 17)	Resolved
8	Assets disposed without approval of parent municipality council (CoAF 6)	Resolved
9	RWST management should perform reevaluations of the Trust's assets, as per leasehold improvements policy and as per requirements of GRAP 17	In progress: Asset Management tender was advertised and tender validity period lapsed before a service provider was appointed. Tender readvertised on 20 June 2025
10	Appointment of CFO	Post was advertised but later placed on hold by RLM Mayor
11	Related parties' disclosure not complete	Resolved
12	Non-compliance with section 126(1)(a): Non submission of the Annual Performance Report (CoAF 22)	Resolved

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## ASSESSMENT OF PERFORMANCE OF SERVICE PROVIDERS

NO.	SERVICE PROVIDER	TYPE OF SERVICE/ NAME OF PROJECT	BUDGET ALLOCATION	CONTRACT VALUE	COMMISSION DATE	EXPIRY/ COMPLETION DATE	SIGNED CONTRACT		SPECS MET		STATUS/ ACTUAL PERFORMANCE
							YES	NO	YES	NO	
1	WSSA	Appointment of Services For Operation and Maintenance of four waste water treatment works and 2 water treatment works	R 173,065,296	R151,832,488	2014	Month to month	Yes		Yes		Active
2	Rustenburg Consulting Consortium	Appointment of a Services Provider for monitoring and administration of operators contract	R 3,466,844	R 3,466,844	2003	Ongoing linked to the Trust Deed	Yes		Yes		Active

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**Report of the auditor-general to the North West Provincial Legislature and the council on  
Rustenburg Water Services Trust (RWST)**

**Report on the audit of the financial statements**

**Opinion**

1. I have audited the financial statements of the Rustenburg Water Services Trust set out on pages 431 to 455, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of actual vs budget for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Rustenburg Water Services Trust as at 30 June 2025, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA).

**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 municipal 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.
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.
7. Disclosed in note 17 to the financial statements, irregular expenditure of R215 647 921 was incurred in the current year and irregular expenditure of R168 228 742 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.
8. As disclosed in note 29 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 30 June 2025

**Other matters**

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

10. In terms of section 125(2)(e) of the MFMA, the municipal entity is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

11. The supplementary information set out on pages xx to xx does not form part of the financial statements 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 financial statements**

12. 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 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.

13. In preparing the financial statements, the accounting officer is responsible for assessing the municipal 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 municipal 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**

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

15. 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 212 forms part of our auditor's report.

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

16. 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.

17. I selected the following material performance indicators related to basic services and infrastructure development presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipal entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of functional sewer purification plants operated in terms of the trust deed

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- Number of sewer purification plants maintained in terms of the trust deed
- Percentage of plant availability of sewer purification plants maintained in terms of agreed standards
- Percentage of compliance in the treatment of sewerage at wastewater treatment works in terms of Anglo / Department of Water and Sanitation (DWS) licence agreement
- Number of water treatment works operated
- Percentage of plant availability of water purification plants maintained in terms of agreed standards
- Number of water purification plants maintained in terms of the trust deed
- Volume of potable water supplied to Rustenburg Local Municipality (RLM) in accordance with the water supply agreement
- Percentage compliance in the treatment of water at water treatment works in terms of South African National Standards (SANS) standards
- Volume of treated wastewater supplied to the industrial water offtakers in terms of the offtake agreement.

18. 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 municipal entity's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipal entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipal 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 is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported.

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

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

#### Other matter

22. I draw attention to the matter below.

#### Achievement of planned targets

23. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements.

24. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 357 to 374.

#### Key performance area (KPA 5): Basic services and Infrastructure development

<p><i>Targets achieved: 92%</i></p> <p><i>Budget spent: 91%</i></p>		
Key indicator not achieved	Planned target	Reported achievement
Percentage compliance in the treatment of sewerage at wastewater treatment works in terms of Anglo / DWS licence agreement	90%	71,05%
Percentage implementation of the post-audit action plan (PAAP)	100%	90.83%

#### Report on compliance with legislation

25. 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 municipalities' compliance with legislation.

26. 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

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- A). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
- 27. 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 municipal 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.
- 28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Annual financial statements, performance, and annual reports**

- 29. 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, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

### **Expenditure management**

- 30. Reasonable steps were not taken to prevent irregular expenditure amounting to R215 647 921 as disclosed in note 17 to the annual financial statements, as required by section 95(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with section 36(1)(a) of the supply chain management regulations.

### **Consequences management**

- 31. Irregular expenditure incurred by the municipal entity were not investigated to determine if any person is liable for the expenditure, as required by municipal budget and reporting regulations 75(1).

### **Strategic planning and performance management**

- 32. A multi-year business plan was not developed for inclusion in the budget, as required by section 87(5)(d) of MFMA.
- 33. The annual performance objectives and indicators were not included in the multi-year business plan, as required by section 87(5)(d)(i)&(iii) of MFMA and 93B(a) of the MSA
- 34. The budget was not consistent with the performance agreement between the entity and the parent municipality, as required by section 87(5)(b) of the MFMA.

### **Procurement and contract management**

- 35. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA.
- 36. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA.

## Other information in the annual report

37. 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 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.
38. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
39. 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

40. 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.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the material findings on compliance with legislation included in this report.
42. The accounting officer of the municipal entity did not ensure that the financial statements were adequately reviewed and supported by complete and accurate supporting documents, resulting in material misstatements being identified during the audit and a consequential non-compliance finding.
43. The accounting officer of the municipal entity did not implement proper record keeping ensuring that complete, relevant and accurate information was accessible and available in a timely manner to support financial and performance reporting.
44. The accounting officer of the municipal entity did not implement controls for the daily and monthly processing and reconciling of transactions to ensure that all transactions and accounts disclosed in the financial statements are accurate and complete.
45. The accounting officer of the municipal entity did not adequately review and monitor compliance with applicable laws and regulations, which resulted in non-compliance with legislation being identified during the audit.

*Auditor-General*

Rustenburg



AUDITOR-GENERAL  
SOUTH AFRICAN

November 2025

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*Auditing to build public confidence*

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## 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 municipal 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 municipal 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 municipal 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 a municipal entity to cease operating as a

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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.

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## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	Section 1 (a), (b) & (d) of the definition: irregular expenditure Section 1 Definition of SDBIP Sections 11(1); 13(2); 14(1); 14(2)(a); 14(2)(b); 15 Sections 24(2)(c)(iv); 29(1); 29(2)(b); 32(2) Sections 32(2)(a); 32(2)(a)(i); 32(2)(a)(ii); 32(2)(b) Sections 32(6)(a); 32(7); 53(1)(c)(ii); 54(1)(c) Sections 62(1)(d); 62(1)(f)(i); 62(1)(f)(ii); 62(1)(f)(iii) Sections 63(2)(a); 63(2)(c); 64(2)(b); 64(2)(c); 64(2)(e) Sections 64(2)(f); 64(2)(g); 65(2)(a); 65(2)(b); 65(2)(e) Sections 72(1)(a)(ii); 95(a); 112(l)(iii); 112(1)(j) Sections 116(2)(b); 116(2)(c)(ii); 117; 122(1); 122(2) Sections 126(1)(a); 126(1)(b); 127(2); 127(5)(a)(i) Sections 127(5)(a)(ii); 129(1); 129(3); 133(1)(a) Sections 133(1)(c)(i); 133(1)(c)(ii); 170; 171(4)(a); 171(4)(b)
LG: MFMA: Municipal budget and reporting regulations, 2009	Regulations 71(1); 71(2); 72
LG: MFMA: Municipal investment regulations, 2005	Regulations 3(1)(a); 3(3); 6; 7; 12(2); 12(3)
LG: MFMA: Municipal regulations on financial misconduct procedures and criminal proceedings, 2014	Regulations 5(4); 6(8)(a); 6(8)(b); 10(1)

<b>Legislation</b>	<b>Sections or regulations</b>
LG: MFMA: Municipal supply chain management (SCM) regulations, 2017	Regulations 5; 12(1)(b); 12(1)(c); 12(3); 13(b); 13(c); 13(c)(i) Regulations 16(a); 17(1)(a); 17(1)(b); 17(1)(c); 19(a) Regulations 21(b); 22(1)(b)(i); 22(2); 27(2)(a); 27(2)(e) Regulations 28(1)(a)(i); 28(1)(a)(ii); 29(1) (a) and (b) Regulations 29(5)(a)(ii); 29(5)(b)(ii); 32; 36(1) Regulations 38(1) (c); 38(1)(d)(ii); 38(1)(e); 38(1)(g)(i) Regulations 38(1)(g)(ii); 38(1)(g)(iii) Regulations 43; 44; 46(2)(e); 46(2)(f)

<b>Legislation</b>	<b>Sections or regulations</b>
Municipal Systems Act 32 of 2000 (MSA)	Sections 25(1); 26(a); 26(c); 26(i); 26(h); Sections 29(1)(b)(ii); 34(a); 34(b); Sections 38(a); 41(1)(a); 41(1)(b); 41(1)(c)(ii); 42; 43(2) Sections 56(a); 57(2)(a); 57(4B); 57(6)(a) Sections 66(1)(a); 66(1)(b); 67(1)(d); 74(1) Sections 93B(a); 93B(b); 93C(a)(iv); 93C(a)(v); 96(b)
LG: MSA: Municipal planning and performance management regulations, 2001	Regulations 2(1)(e); 2(3)(a); 3(3); 3(4)(b); 3(5)(a); 7(1); 8 Regulations 9(1)(a); 10(a); 12(1); 15(1)(a)(i); 15(1)(a)(ii)
LG: MSA: Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006	Regulations 2(3)(a); 4(4)(b); 8(1); 8(2); 8(3)
LG: MSA: Regulations on appointment and conditions of employment of senior managers, 2014	Regulations 17(2); 36(1)(a)
LG: MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2); 5(3); 5(6); 8(4)
Division of Revenue Act 24 of 2024 (Dora)	Sections 11(6)(b); 12(5); 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)

CIDB regulations	Regulations 17; 25(7A)
Municipal Property Rates Act 6 of 2004 (MPRA)	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2(1)(a); 2(1)(f)
Preferential Procurement regulations (PPR), 2017	Regulations 5(1); 5(3); 5(6); 5(7) Regulations 6(1); 6(2); 6(3); 6(5); 6(6); 6(8) Regulations 7(1); 7(2); 7(3); 7(5); 7(6); 7(8) Regulations 8(2); 8(5); 9(1); 10(1); 10(2); 11(1)

<b>Legislation</b>	<b>Sections or regulations</b>
Preferential Procurement regulations (PPR), 2022	Regulations 3(1) Regulations 4(1); 4(2); 4(3); 4(4) Regulations 5(1); 5(2); 5(3); 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (Precca)	Section 34(1)

**ANNUAL FINANCIAL STATEMENTS OF THE RUSTENBURG WATER SERVICES TRUST**



**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2025**

Version 8

## Rustenburg Water Services Trust

**FINANCIAL STATEMENTS**  
For the year ended 30 June 2025



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### TRUST INFORMATION

**TRUST REFERENCE NUMBER** : IT 6155/03

	Term ended	Date of appointment
<b>TRUSTEES</b>		
KG Lebethe	18 September 2024	19 September 2022
M Rapoo	18 September 2024	19 September 2022
E Scheepers	18 September 2024	19 September 2022
P Mayeza	18 September 2024	19 September 2022
<b>TRUST CEO</b>	MA Pitsi	
<b>REGISTERED OFFICE</b>	1a Kock Street Rustenburg 0300	
<b>AUDITORS</b>	Office of the Auditor-General 124 Kock Street Rustenburg 0300	
<b>BANKERS</b>	ABSA Business Bank 91 Church Street Klerksdorp 5271	

**FINANCIAL STATEMENTS**  
For the year ended 30 June 2025



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## Rustenburg Water Services Trust



### TRUSTEES' REPORT For the year ended 30 June 2025

The trustees present their annual report of the Trust, for the year ended 30 June 2025.

#### 1 General information

The Trusts objective is to procure the design, construction, implementation, operation and maintenance of the Rustenburg, Bospoort and the Boitekong water supply scheme in the most cost effective manner and for the purpose of maximizing the Trust income to be distributed to the beneficiary as well as to provide potable water to Rustenburg Local Municipality.

#### 2 Date of incorporation

Date of incorporation of the Trust was 1 September 2003

#### 3 Operating and financial review

	2025 R	2024 R
Revenue	287 147 029	223 803 886
Operating surplus	76 297 729	40 499 008
Net surplus for the period	76 297 729	40 499 008
Total assets	1 722 513 567	1 640 864 404
Total liabilities	32 955 123	27 603 689

#### 4 Statutory funds

A donation of R1, 000 was donated by the donors as per the Deed of the Trust

#### 5 Financial objectives and performance against forecasts

Financial performance for the 12 month period was satisfactory, in line with management's expectations.

#### 6 Trustees and secretary

The following are the registered Trustees of the Trust at the Master of the High Court. Their term expired and RLM are in the process of replacing them.

30-Jun-25	30-Jun-24	
KG Lebethe	Term ended	KG Lebethe
M Rapoo	Term ended	M Rapoo
E Scheepers	Term ended	E Scheepers
P Mayeza	Term ended	P Mayeza
		Active

#### 7 Beneficiary details

The sole beneficiary of the Trust is the Rustenburg Local Municipality.

#### 8 Auditors

In terms of Section 92 of the Municipal Finance Management Act (MFMA) No 56 of 2003, the audit will be conducted by the Office of the Auditor-General.

#### 9 Statements of responsibility

The Trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statement and related information. The auditors are responsible to report on the fair representation of the financial statements. The financial statements are prepared in accordance with and comply with Statements of Generally Recognised Accounting Practice (GRAP) and in the manner required by the Municipal Systems Act.

The Trustees are responsible for the Trust's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future.

## Rustenburg Water Services Trust



TRUSTEES' REPORT (Continued)  
For the year ended 30 June 2025

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### 10 Transitioning from the Revaluation Model to the Cost Model

The initial accounting policy adopted by the Trustees in March 2012 was to measure Property, Plant and Equipment (PPE) at fair value. The last revaluation performed in accordance with GRAP 17 occurred on 30 June 2017, at which time all PPE at the plants were revalued.

During the 2024 financial year, the Auditor-General of South Africa (AGSA) raised concerns regarding inconsistencies in the accounting model applied to fixed assets when compared to the Rustenburg Local Municipality. To address this finding and to enhance consistency and compliance across the consolidated reporting environment, the Trust has transitioned from the Revaluation Model to the Cost Model with effect from the 2025 financial year, in accordance with paragraphs 38 and 39 of GRAP 17. Under the Cost Model, assets are carried at cost less accumulated depreciation and impairment losses.

In line with Directive 11 of the Standards of GRAP, an entity may change an accounting policy if such a change results in financial statements that provide more reliable and relevant information. As the consolidated financial statements are prepared together with the Local Municipality, the Trustees determined that adopting the Cost Model would result in improved reliability and comparability, and addresses the concern raised by AGSA.

### 11 Events after year end

The Trustees are not aware of any events after year end that would have a material impact on the operations of the Trust.

### 12 GOING CONCERN

As at 30 June 2025 the Trust had accumulated surpluses of R 1,689,557,444 (2024: R 1,613,259,715) with total assets of R 1,722,513,567 (2024: R 1,640,864,404) and total liabilities of R 32,955,123 (2024: R 27,603,689).

It should be noted that the Trust experienced low inflow volumes on the Rustenburg and Boitekong Waste Water Treatment Works during the financial year. Although the flows have picked up at Rustenburg the last couple of months the flows are only at 70% where they were two years ago. This negatively effects the cash flows of the Trust and the sustainability of delivering treated water at current standards. It will also have a major impact on any upgrade projects that the Trust undertakes in the foreseeable future.

### 13 Other Matters

There is an existing litigation between previous board members where a board member took the board and the Rustenburg Water Service Trust to court. This follows after allegations were made on the breach of code of conduct where the board member was accused of dishonesty and dereliction of duty. The member was precautionary suspended by the previous board, pending the outcome of the investigation hearing. The investigation was conducted by two independent advocates and the outcome was received on the 21 September 2021. The recommendation was for the Rustenburg Executive Mayor to remove the accused. The alleged member challenged the suspension in the High Court of Mahikeng on an urgent basis. This was overturned in an Arbitration process as guided by the Trust deed. The advocate arbitrating on the matter ruled that the precautionary suspension was unlawful and the member was reinstated. A section 79 committee was established by RLM to deal with this dispute. The court case is still under way.

The financial statements were accepted by the Accounting Officer of the Trust on 31 August 2025 and are duly signed:

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MA PITSI

**Rustenburg Water Services Trust**



**STATEMENT OF FINANCIAL POSITION**  
At 30 June 2025

	NOTES	2025 R	2024 R
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long term liabilities	5	-	-
<b>Current liabilities</b>			
Trade and other payables (exchange transactions)	8	31 693 020	20 644 152
Provisions	9	-	5 510 886
Short Term Portion of Liabilities	5	-	502 124
VAT payable		1 262 103	946 527
		32 955 123	27 603 689
<b>Total Liabilities</b>		<b>32 955 123</b>	<b>27 603 689</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Lease Hold Improvements	3	984 124 105	1 011 003 453
		984 124 105	1 011 003 453
<b>Current assets</b>			
Trade receivables (exchange transactions)	6	209 568 907	112 784 266
Cash and cash equivalents	7	528 820 555	517 076 685
		738 389 462	629 860 951
<b>Total Assets</b>		<b>1 722 513 567</b>	<b>1 640 864 404</b>
<b>NET ASSETS</b>			
Statutory funds		1 000	1 000
Distributable reserves	4	1 689 557 444	1 613 259 715
		1 689 558 444	1 613 260 715
<b>TOTAL NET ASSETS</b>		<b>1 689 558 444</b>	<b>1 613 260 715</b>

## Rustenburg Water Services Trust

STATEMENT OF FINANCIAL PERFORMANCE  
For the year ended 30 June 2025



		2025 R	2024 R
<b>REVENUE - From exchange transactions</b>			
Sales - water		287 147 029	223 803 886
<b>COST OF SALES</b>			
Rustenburg WWTW	24	84 169 883	61 852 071
Boitekong WWTW		28 704 449	18 872 816
Bospoort WTW		31 542 070	33 507 277
Kloof WTW		2 210 222	2 105 832
Monakato WWTW		1 388 372	1 267 873
Lethabong WWTW		3 504 359	3 301 639
Effluent monitoring		1 183 872	1 227 169
<b>Operator overheads</b>			
Day works and provisional sums		1 211 373	1 165 691
Management and general staff		6 784 796	6 370 883
		160 699 396	129 671 250
<b>GROSS MARGIN</b>		126 447 633	94 132 635
		44%	42%
<b>OTHER INCOME - From exchange transactions</b>			
Interest received	10	40 769 499	35 912 411
Profit on disposal of fixed assets		-	23 477
		40 769 499	35 935 888
<b>EXPENSES</b>			
Auditors Remuneration		1 794 195	1 208 133
Bank charges		9 488	7 743
DWS Compliance		342 530	457 010
Depreciation		49 045 939	51 847 785
Disbursements (Printing & Travel)		-	1 763
Finance costs	11	41 971	90 960
Impairment loss	20	-	5 586 344
Insurance		1 204 074	1 328 526
Legal Fees		692 536	220 886
O & M Supervision		2 489 118	3 428 278
O & M Tender Docs. and additional work		1 660 566	305 103
Recruitment Fees		-	122 626
Repairs	25	30 543 294	22 161 237
Salaries		2 782 343	2 215 470
Staff Training		60 000	-
Telephone & data costs		11 848	-
Trustees Remuneration		241 500	587 650
		90 919 402	89 569 515
<b>Surplus for the year</b>		76 297 729	40 499 008

## Rustenburg Water Services Trust



### STATEMENT OF COMPARISON OF ACTUAL VS BUDGET For the year ended 30 June 2025

	Actual 2025 R	Approved Budget 2025 R	Original Budget 2025 R	Actual outcome as % of final budget 2025 R	Actual outcome as % of original budget 2025 R
<b>REVENUE</b>					
Sales: RLM	198 293 342	180 014 943	166 269 084	10.15%	19.26%
Sales: Mines	88 853 687	87 010 025	86 089 867	2.12%	3.21%
<b>TOTAL REVENUE</b>	<b>287 147 029</b>	<b>267 024 967</b>	<b>252 358 951</b>		
<b>COST OF SALES</b>	<b>160 699 396</b>	<b>170 046 941</b>	<b>151 456 725</b>	<b>5.50%</b>	<b>-6.10%</b>
<b>GROSS MARGIN</b>	<b>126 447 633</b>	<b>96 978 026</b>	<b>100 902 227</b>		
<b>OTHER INCOME - From exchange transactions</b>					
Interest received	40 769 499	41 180 778	37 242 027	-1.00%	9.47%
Profit on disposal of fixed assets	-	-	-		
	<b>40 769 499</b>	<b>41 180 778</b>	<b>37 242 027</b>		
<b>EXPENSES</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>		
Auditors Remuneration	1 794 195	2 017 356	1 306 558	11.06%	-37.32%
Bank charges	9 488	7 536	7 536	-25.91%	-25.91%
DWS compliance	342 530	249 682	249 682	-37.19%	-37.19%
Depreciation	49 045 939	28 083 175	35 083 175	-74.65%	-39.80%
Disbursements (Printing & Travel)	-				
Finance costs	41 971	41 971	41 971	0.00%	0.00%
Impairment loss	-	778 264	778 264	100.00%	100.00%
Insurance	1 204 074	1 054 037	1 000 251	-14.23%	-20.38%
Legal Fees	692 536	921 961	350 000	24.88%	-97.87%
O&M Supervision	2 489 118	3 717 738	3 692 189	33.05%	32.58%
O&M Tender Docs and additional work	1 660 566	-		-100.00%	-100.00%
Recruitment Fees	-	-		-100.00%	-100.00%
Repairs	30 543 294	35 174 682	25 504 327	13.17%	-19.76%
Salaries	2 782 343	3 276 027	4 268 807	15.07%	34.82%
Trustees Remuneration	241 500	1 031 748	1 031 748	76.59%	76.59%
Section 93J Structure	-	1 000 000	1 000 000	100.00%	100.00%
Marketing	-	50 000	18 000	100.00%	100.00%
Research and Development	-	300 000	300 000	100.00%	100.00%
Suscriptions	-	21 300	21 300	100.00%	100.00%
Training	60 000	85 200	85 200	29.58%	29.58%
Asset Revaluation GRAP17	-	2 500 000	2 500 000	100.00%	100.00%
Computer & IT expenses	-	30 000	30 000	100.00%	100.00%
Communications and Corporate Identity	-	600 000	600 000	100.00%	100.00%
Office expenses	-	18 000	18 000	100.00%	100.00%
Office Rental	-	240 000	240 000	100.00%	100.00%
Printing & Stationary	-	12 780	12 780	100.00%	100.00%
Telephone & Data	11 848	50 000	30 000	76.30%	60.51%
Travel and Accommodation	-	24 000	24 000	100.00%	100.00%
	<b>90 919 402</b>	<b>81 285 456</b>	<b>78 193 787</b>		
<b>Surplus for the year</b>	<b>76 297 729</b>	<b>56 873 348</b>	<b>59 950 467</b>		
<b>DSCR:</b>	<b>EBIT &amp; Depreciation</b>	<b>125 385 639</b>	<b>84 998 495</b>	<b>95 075 613</b>	
	Reserves	528 820 555	528 820 555	528 820 555	
	Bank repayments	41 146 403	41 146 403	41 146 403	
	<b>Including reserves</b>	<b>15.90</b>	<b>14.92</b>	<b>15.16</b>	
	<b>Excluding reserves</b>	<b>3.05</b>	<b>2.07</b>	<b>2.31</b>	

The explanations for major variances between the budget and the actual for the period under review are done in Note 26.

**Rustenburg Water Services Trust**



**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 30 June 2025

	Note	Statutory funds R	Retained Earnings R	Revaluation Surplus R	Total R
Balance at 30 June 2011		1 000	65 111 517		65 112 517
Net surplus for the year			13 824 361		13 824 361
Revaluation surplus for the year			-	124 187 680	124 187 680
Balance at 30 June 2012		1 000	78 935 878	124 187 680	203 124 558
Surplus for the year			21 105 656		21 105 656
Impairment adjustment for the year			(700 759)		(700 759)
Balance at 30 June 2013		1 000	100 041 534	123 486 921	223 529 455
Surplus for the year			34 331 616		34 331 616
Impairment adjustment for the year			(588 134)		(588 134)
Balance at 30 June 2014		1 000	134 373 150	122 898 787	257 272 937
Surplus for the year			64 976 931		64 976 931
Impairment adjustment for the year			(121 282)		(121 282)
Balance at 30 June 2015		1 000	199 350 081	122 777 505	322 128 586
Opening retained income correction			(834 712)	(1 674 952)	(2 509 664)
Surplus for the year			85 502 931		85 502 931
Impairment adjustment for the year			(546 934)		(546 934)
Revaluation surplus transferred			20 018	(20 018)	-
Balance at 30 June 2016		1 000	284 038 318	120 535 601	404 574 919
Surplus for the year			98 668 445		98 668 445
Impairment adjustment for the year			(1 715 197)		(1 715 197)
Distribution to beneficiary			(650 000)		(650 000)
Revaluation surplus transferred			13 857	(13 857)	-
2017 Revaluation surplus for the year				147 676 158	147 676 158
Balance at 30 June 2017		1 000	382 070 620	266 482 705	648 554 325
Surplus for the year			74 758 803		74 758 803
Impairment adjustment for the year			(128 724)		(128 724)
Revaluation surplus transferred			14 960	(14 960)	-
Correction of error			(18 830 908)		(18 830 908)
Balance at 30 June 2018		1 000	438 013 475	266 339 021	704 353 496
Surplus for the year			66 825 920		66 825 920
Impairment adjustment for the year			(175 075)		(175 075)
Revaluation surplus transferred			26 390	(26 390)	-
Correction of error			(16 363)		(16 363)
Balance at 30 June 2019		1 000	504 849 423	266 137 555	770 987 978
Surplus for the year			75 427 453		75 427 453
Impairment adjustment for the year			(476 805)		(476 805)
Revaluation surplus transferred			307 412	(307 412)	-
Correction of error			(26 908 347)		(26 908 347)
Balance at 30 June 2020		1 000	553 675 941	265 353 338	819 030 280
Surplus for the year			85 125 276		85 125 276
Impairment adjustment for the year			(260 739)		(260 739)
Revaluation surplus transferred			332 042	(332 042)	-
Balance at 30 June 2021		1 000	639 133 259	264 760 557	903 894 816
Surplus for the year			67 674 789		67 674 789
Impairment adjustment for the year			(25 751)		(25 751)
Revaluation surplus transferred			145 036	(145 036)	-
Balance at 30 June 2022		1 000	706 953 084	264 589 771	971 543 855
Surplus for the year			73 855 722		73 855 722
Impairment adjustment for the year			(769 414)		(769 414)
Revaluation surplus reversal - adoption of cost model			528 131 544		528 131 544
Revaluation surplus transferred			263 820 356	(263 820 356)	-
Balance at 30 June 2023		1 000	1 572 760 707	-	1 572 761 707
Surplus for the year			40 499 008		40 499 008
Balance at 30 June 2024		1 000	1 613 259 715	-	1 613 260 715
Surplus for the year			76 297 729		76 297 729
Balance at 30 June 2025		1 000	1 689 557 444	-	1 689 558 444

**Rustenburg Water Services Trust**



**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2025

	NOTES	2025 R	2024 R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and rendering of services		190 362 387	275 992 635
Interest income		40 769 499	35 912 411
Other receipts		-	23 477
		<b>231 131 886</b>	<b>311 928 523</b>
<b>Payments</b>			
Employee costs		3 023 843	2 803 120
Suppliers		192 446 948	157 924 029
		<b>195 470 791</b>	<b>160 727 148</b>
<b>Net cash flows from operating activities</b>	12	<b>35 661 095</b>	<b>151 201 375</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(23 415 102)	(13 972 337)
<b>Net cash flow from investing activities</b>		<b>(23 415 102)</b>	<b>(13 972 337)</b>
<b>Cash flow from financing activities</b>			
Long term Liabilities	5	(502 124)	(427 191)
<b>Net cash flow from financing activities</b>		<b>(502 124)</b>	<b>(427 191)</b>
Net increase in cash and cash equivalents		11 743 869	136 801 847
Cash and cash equivalents at beginning of year		517 076 685	380 274 838
<b>Cash and Cash equivalents at end of year</b>	7	<b>528 820 555</b>	<b>517 076 685</b>

## Rustenburg Water Services Trust

ACCOUNTING POLICIES  
For the year ended 30 June 2025



The principal accounting policies adopted in the preparation of these financial statements are set out below:

### 1 BASIS OF PREPARATION

The financial statements comply with standards of GRAP. Financial statements are prepared on the accrual basis of accounting, using the historical cost as measurement basis, except for assets which are revalued. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Where a Standard of GRAP is approved as effective, it replaces the equivalent Statement of IPSAS, IFRS or SA GAAP. Where a standard of GRAP has been issued, but not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors. The following GRAP standards have been issued but are not yet effective and have not been early adopted by the RWST:

GRAP 32, Service Concession Arrangements: Grantor  
GRAP 108, Statutory Receivables  
GRAP 20, Related Party Disclosures (Revised)

### 2 TRADE RECEIVABLES

All receivables constitutes receivables from both exchange transactions and non-exchange transactions. Trade receivables are initially recognised at cost. Consumer debtors are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

### 3 TRADE PAYABLES

Trade payables are initially recognised at cost. Trade payables are measured and carried at fair value.

### 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are initially recognised at cost. Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid with original maturities of 12 months or less, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities, when applicable.

### 5 BORROWINGS AND BORROWING COST

Borrowings are recognised initially at the fair value of proceeds received, net of transaction cost incurred, when they become party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds (net of transaction cost) and the redemption value is recognised in the income statement over the period of the borrowings as interest. Initial borrowing cost were capitalised until the assets became productive.

## Rustenburg Water Services Trust



ACCOUNTING POLICIES (Continued)  
For the year ended 30 June 2025

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### 6 LEASEHOLD IMPROVEMENTS

Leases of fixed assets where the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the net present value of the minimum lease payments at the commencement of the lease. Each lease payment is allocated between the lease liability and finance charges to achieve a constant periodic rate of interest on the outstanding balance. The corresponding lease obligation, net of finance charges, is included in long-term liabilities. The finance charge is recognised in the income statement over the lease term.

Property, Plant and Equipment (PPE) are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services and are expected to be used for more than one period.

From the 2025 financial year, PPE is measured at cost less accumulated depreciation and impairment losses. This represents a change in accounting policy from the previous measurement basis of fair value less accumulated depreciation, following the transition from the Revaluation Model to the Cost Model.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. Land is not depreciated as it is considered to have an indefinite useful life.

The cost of an item of PPE includes: the purchase price, net of trade discounts and rebates; directly attributable costs necessary to bring the asset to the location and condition required for it to operate as intended; and initial estimates of the costs of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost or for a nominal amount in a non-exchange transaction, its cost are measured at its fair value on the acquisition date. Assets are depreciated only once commissioned and available for use.

The Trust maintains and acquires assets to provide social services to the community and supply water to surrounding mines. The useful and economic lives of these assets are considered to be the same. Once the related loan obligations have been fully settled and RLM takes responsibility over from the trust, ownership of all assets will revert to the parent municipality.

Depreciation is recorded on a straight-line basis to allocate the depreciable amount of each asset to its residual value over its remaining useful life or, where applicable, the remaining lease term. The expected useful lives are as follows:

Building Fixtures	5 - 50 Years
Carbon	3 - 3 Years
Civil Structures	10 - 90 Years
Computer Equipment	3 - 10 Years
Electrical Equipment	3 - 45 Years
External Facilities	3 - 25 Years
Furniture & Fittings	5 - 10 Years
Lab Equipment	3 - 5 Years
Mechanical Equipment	3 - 30 Years
SHEQ	3 - 20 Years
Tools & Equipment	3 - 10 Years
Vehicles	5 - 15 Years
Land	Indefinite

Useful lives and residual values are reviewed annually, with any changes accounted for prospectively as changes in accounting estimates.

At the end of each reporting period, the Trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected from its continued use. Gains or losses arising from derecognition are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Trust and the cost can be measured reliably. Components of assets are depreciated separately when they are significant in relation to the total cost of the asset. Costs of replacing significant parts are capitalised, and the replaced components are derecognised.

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets—being assets that take a substantial period to get ready for their intended use—are capitalised as part of the asset's cost. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period incurred.

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### 7 IMPAIRMENT

All assets are reviewed annually for indications of impairment. When such indications exist, the Trust estimates the asset's recoverable service amount, being the higher of its fair value less costs to sell and its value in use. Where an asset's carrying amount exceeds its recoverable service amount, an impairment loss is recognised in surplus or deficit for the period.

The reversal of a previously recognised impairment loss is recognised in surplus or deficit to the extent that it increases the asset's carrying amount to no more than the amount that would have been determined had no impairment loss been recognised in prior periods.

If the carrying amount of an asset is lower than or equal to its recoverable service amount, no impairment adjustment is required. The asset is retained at its carrying amount as it continues to meet its service potential in line with its assessed condition rating.

## Rustenburg Water Services Trust



### ACCOUNTING POLICIES (Continued) For the year ended 30 June 2025

#### 8 PROVISIONS

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

#### 9 REVENUE RECOGNITION

Revenue comprise of exchange transactions as well as non-exchange transactions. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Trust's activities. Revenue is shown net of value added tax. The Trust recognises revenue when the amount of revenue can be reliably measured, it is possible that future economic benefits will flow to the Trust and specific criteria have been met for each of the Trust's activities described below.

(a) Sale of goods

The entity purifies water at its plants and sells the purified water to its customer, Rustenburg Local Municipality. Sale of water is recognised when the entity has delivered the water to the customer.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method unless collectability is in doubt.

(c) Contributions received

Contributions received for refurbishment of infrastructure are recognised in the year it is received and as the costs of the projects incurred.

(d) MIG Grants received

Contributions received for refurbishment of infrastructure are recognised in the year it is received and as the costs of the projects incurred.

#### 10 FINANCIAL INSTRUMENTS

Financial instruments recognised in the balance sheet include loans, trade and other receivables, trade and other payables and cash and cash equivalents.

Financial assets and financial liabilities are recognised on the Trust's balance sheet when the Trust becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at the fair value of the consideration given (in the case of an asset) or received (in the case of a liability) for it. Cash flows relating to current receivables are generally not discounted, unless significant.

Financial instruments are subsequently measured in terms of GRAP 104.45. Cash & cash equivalents, receivables and trade payables are subsequently measured at fair value, whilst long term liabilities are subsequently measured at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legal right to set-off the recognised amounts, and the Trust intends to settle on a net basis or to realise the asset and the liability simultaneously.

Financial assets or a portion of the financial assets are de-recognised when the Trust loses control of the contractual rights that comprise the financial asset. The Trust loses such control if it releases the rights to benefit from the contract, the rights are surrendered. Financial liabilities are de-recognised when they are extinguished - that is, when the obligation specified in the contract is discharged, cancelled or expires.

**Rustenburg Water Services Trust**

ACCOUNTING POLICIES (Continued)  
For the year ended 30 June 2025

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**11 GOING CONCERN**

The financial statements are prepared using the Going Concern basis, which assumes that the Trust will be able to meet the mandatory payments on a day to day basis. If for any reason the Trust is unable to continue as a going concern, it could have an impact on the Trust's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

**12 ROUNDING**

The numbers presented in the financial statements are rounded to the nearest rand.

## Rustenburg Water Services Trust

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025



#### 1. FINANCIAL RISK MANAGEMENT

The Trust is exposed to financial risk through its financial assets and financial liabilities. The Trustees has overall responsibility for the establishment and oversight of the entity's risk management framework. The Trust has appointed the trust administrator, which is responsible for developing and monitoring the Trust's risk management policies. The administrator reports regularly to the Trustees on its activities.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Trust, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all Trustees and contractors understand their roles and obligations.

The Trust's exposure to risk, its objectives, policies and processes for managing the risk arising from its financial instruments and methods used to measure the Trust's exposure to these risks, have not changed significantly from the prior year.

The Trust does not have major exposure to credit, liquidity and market risk, which is described in more detail below.

##### *Credit risk*

Financial assets, which potentially subject the Trust to concentrations of credit risk, consist principally of cash, short-term deposits and trade receivables. The Trust's cash equivalents and short-term deposits are placed with high-credit quality financial institutions. Credit risk with respect to trade receivable is limited due to the fact that there are only three major customers, being the Rustenburg Local Municipality, Anglo Platinum and Impala Platinum.

The carrying amounts of financial assets included in the balance sheet represent the Trust's exposure to credit risk in relation to these assets.

##### *Fair values*

The fair values of the financial assets and liabilities are disclosed in the relevant notes.

##### *Interest rate risk*

The Trust's income and operating cash flows are substantially independent of changes in market interest rates. The Trust has no significant interest bearing assets.

##### *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Trust aims at maintaining flexibility in funding by keeping committed credit lines available.

#### 2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with SA GAAP and GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the trust's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual financial statements, are disclosed below:

##### **Critical accounting estimates and assumptions**

The trust makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are outlined below:

##### **Depreciation:**

During each financial year, management reviews the assets within property plant and equipment to assess whether the useful lives and residual values applicable to each asset are appropriate.

##### **Leasehold Improvements**

In 2004, the Trust entered into a long-term lease with the local municipality whereby specified old water and sewage infrastructure assets are leased on long term from the Local Municipality. After the Term Loan is settled (31 December 2021) it is up to the Parent Municipality whether to take back the assets. Expansion and refurbishment conducted since the start of the project have previously been reported under 'owned assets' and will from now on all be reported as 'lease hold improvements assets'. This will be for the current as well as comparative years. It is not possible to physically differentiate between original and subsequent refurbished assets. Prior to 2017 the depreciation charge was limited to the shortest of the remaining lease period or remaining useful life of the individual asset. After considering the legal relationship between the parent municipality and the trust it was decided to not limit the depreciation period.

## Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the year ended 30 June 2025

### 3. LEASE HOLD IMPROVEMENTS

	2025			2024		
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Land & Buildings	40 079 822	(10 514 477)	29 565 345	39 558 275	(9 592 810)	29 965 465
Plant & Equipment	1 240 933 024	(287 938 678)	952 994 346	1 219 402 420	(240 404 104)	978 998 315
Moveable's	2 996 327	(1 431 913)	1 564 414	2 881 887	(842 215)	2 039 672
<b>Total</b>	<b>1 284 009 173</b>	<b>-299 885 068</b>	<b>984 124 105</b>	<b>1 261 842 582</b>	<b>-250 839 129</b>	<b>1 011 003 453</b>

#### Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions / Asset Allocations	Work in Progress Addition	Depreciation and impairment	Carrying value
Land & Buildings	29 965 465	521 547	-	(921 667)	29 965 345
Plant & Equipment	978 998 315	14 230 356	7 300 249	(47 534 574)	952 994 346
Moveable's	2 039 672	114 441	-	(589 698)	1 564 414
<b>Total</b>	<b>1 011 003 453</b>	<b>14 866 343</b>	<b>7 300 249</b>	<b>(49 045 939)</b>	<b>984 124 105</b>

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Work in Progress	Depreciation and impairment	Carrying value
Land & Buildings	30 320 664	561 468	-3 415	-	(913 251)	29 965 465
Plant & Equipment	942 162 592	14 152 450	-5 570 491	78 347 151	(50 093 387)	978 998 315
Moveable's	2 815 004	78 254	-12 438	-	(841 148)	2 039 672
<b>Total</b>	<b>975 298 259</b>	<b>14 792 172</b>	<b>(5 586 344)</b>	<b>78 347 151</b>	<b>(51 847 785)</b>	<b>1 011 003 453</b>

Assets consist Portion 4 of the farm Tweedepoort 283JQ, commonly known as Bospoort Treatment Plant; a portion of portion 1 of Town and town lands of Rustenburg 272JQ, commonly known as Rustenburg Sewage Treatment Plant; and portions of the farms PTN 54, PTN 23, PTN 76, PTN 22, PTN 21& PTN 41 commonly known as Boitekong Sewage Treatment Plant.

The Trust revalued and reclassified its assets during the 2017 financial year using the depreciated replacement cost method, in accordance with the requirements of GRAP 17. In May 2025, the Auditor-General (AG) requested that the Trust revert to the Cost Model to ensure alignment with the accounting policy applied by the Parent Municipality.

However, due to the extent of historic revaluations and the absence of original cost information for certain asset categories, it was not practical for the Trust to immediately convert the existing revalued asset register back to the Cost Model. To address this, the Accountant Officer have resolved to appoint a professional asset management service provider during the 2026 financial year to assist in rebuilding and converting the asset register to a Cost Model-compliant format.

WIP to the value of R 69 909 447 on the expansion of the Bospoort Water Treatment Works consist of civil work. Following the civil work the mechanical and electrical work will follow. The expansion project completion is significantly delayed. The reason for the time delay is slow progress on the procurement process of the mechanical and electrical contract.

The Rustenburg Water Services Trust decided not to impair the WIP at this stage as it mainly consists of concrete structures of which the expected useful life is in the region of 80 years.

	2025	2024
<b>** Plant &amp; Equipment - WIP</b>		
The carrying value of plant & equipment that is taking longer than anticipated.	69 651 361	62 351 113

**Rustenburg Water Services Trust**

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the year ended 30 June 2025



	2025 R	2024 R
<b>4 DISTRIBUTABLE RESERVES</b>		
At beginning of year	1 613 259 715	1 572 760 707
Profit for the year	76 297 729	40 499 008
	<hr/>	<hr/>
Balance at end of year	1 689 557 444	1 613 259 715
	<hr/>	<hr/>
<b>5 LONG TERM LIABILITIES</b>		
5.1 Finance lease liabilities Rustenburg Local Municipality	-	502 124
Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default, subject to the cession of the lease agreement as security for the bank borrowings. The interest rate implicit in the lease is 11%		
Less: short term portion	-	(502 124)
The last portion of the finance lease was paid on 30 June 2025.	<hr/>	<hr/>
5.1.1 Reconciliation of future minimum lease payments to the present value of future minimum lease payments.		
Future minimum lease payments	-	544 095
Not later than 1 year	-	544 095
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Interest	-	(41 971)
Present value of future minimum lease payments	-	502 124
Not later than 1 year	-	502 124
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

**Rustenburg Water Services Trust**



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
For the year ended 30 June 2025

		2025 R	2024 R
<b>6 TRADE AND OTHER RECEIVABLES (from exchange transactions)</b>			
Debtors' ageing			
Current	33 805 702	27 902 138	
30 days	26 231 313	21 151 105	
60 days	31 198 531	1 150	
90 days +	117 491 668	63 142 964	
	<u>208 727 214</u>	<u>112 197 357</u>	
Prepayments	841 693	586 908	
	<u>209 568 907</u>	<u>112 784 265</u>	
<b>7 CASH AND CASH EQUIVALENTS</b>			
ABSA Bank Limited			
Distribution Reserve Account	27 136 464	26 037 786	27 136 464
Distribution Call Account	489 940 222	354 237 052	489 940 222
	<u>517 076 685</u>	<u>528 820 555</u>	<u>517 076 685</u>
For the purpose of the cash flow statement, the year-end cash and cash equivalents comprise the following:			
Cash resources		528 820 555	517 076 685
There are no 'undrawn facilities' available at any financial institution for the Trust.			
Interest accrued and received on the 1st of July of the following year are included			
in the balances of the bank accounts.			
<b>8 TRADE AND OTHER PAYABLES (from exchange transactions)</b>			
Trade payables		31 693 020	20 644 152
<b>9 PROVISIONS</b>			
Provisions		-	5 510 886
From October 2023 the Trust encountered low flow volumes in the Rustenburg WWTW. These volumes were lower than what was tendered for by the operator in 2014 when the current tender was awarded. The exact amount of this provision was not known to the Trust as at 30 June 2024 and the provision is an estimated amount.			
<b>10 INTEREST RECEIVED</b>			
Interest received			
Current Account	40 191 063	35 171 120	
Trade Receivables	578 435	741 291	
<b>11 FINANCE COST</b>			
Interest paid		(41 971)	(90 960)
Finance Lease		<u>40 727 528</u>	<u>35 821 451</u>

## Rustenburg Water Services Trust



### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2025

		2025 R	2024 R
<b>12</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus before tax		76 297 729	40 499 008
Adjustments for:			
Depreciation		49 045 939	51 847 785
Impairment		-	5 586 344
		125 343 668	97 933 137
Changes in working capital			
Trade and other receivables		(96 784 641)	52 188 749
Payables		7 102 068	1 079 488
Net cash flows from operating activities		<u>35 661 095</u>	<u>151 201 375</u>
<b>13</b>	<b>FINANCIAL INSTRUMENTS</b>		
In the course of its operations, the Trust is exposed to interest rate, credit, liquidity and market risk. The trust has developed a comprehensive risk strategy in order to monitor and control these risks. The Trust's exposure to cash flow risk, interest rate risk and the effective interest rates on the financial instruments at reporting date are as follows:			
		<b>2025</b>	
		<b>Floating rate</b>	<b>Non-interest bearing</b>
		Amount	Effective interest rate %
		Amount	Weighted average period to maturity Months
<b>Assets</b>			
Cash resources	528 820 555	7.10%	
Accounts receivable from exchange transactions	<u>528 820 555</u>	<u>208 727 215</u>	10
<b>Liabilities</b>			
Accounts payable from exchange transactions		31 693 020	1
Finance lease liability	<u>-</u>	<u>31 693 020</u>	
		<b>2024</b>	
		<b>Floating rate</b>	<b>Non-interest bearing</b>
		Amount	Effective interest rate %
		Amount	Weighted average period to maturity Months
<b>Assets</b>			
Cash resources	517 076 685	7.85%	
Accounts receivable from exchange transactions	<u>517 076 685</u>	<u>112 197 358</u>	21
<b>Liabilities</b>			
Accounts payable from exchange transactions		26 155 038	1
Finance lease liability	<u>502 124</u>	<u>26 155 038</u>	
<b>14</b>	<b>TAXATION</b>		
The Trust is a vesting trust and all income tax vests with the sole beneficiary, being the Rustenburg Local Municipality, who in turn is exempt from paying income tax.			
<b>15</b>	<b>RELATED PARTY TRANSACTIONS</b>		
<b>15.1</b>	The transactions between RLM and The Rustenburg Water Service Trust is classified as related party transactions. The nature of the relationship is that RLM is the sole Beneficiary of the Trust, and has the right to appoint 4 representative on the board of trustees.		
		2025	2024
Water Sales to RLM		198 281 342	146 561 902
Accounts Receivable - Water Sales		(173 136 283)	(85 566 080)
Accounts Receivable - MIG		(7 476 275)	(7 476 275)
Finance Lease Liabilities		-	502 124
Interest paid - Finance Lease		(41 971)	(90 960)

The internal audit function of the Trust is performed by RLM at no cost to the Trust.

## Rustenburg Water Services Trust



### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 30 June 2025

#### RELATED PARTY TRANSACTIONS (Continued)

15.2 The transactions between ABSA Bank Limited and The Rustenburg Water Service Trust is classified as related party transactions. The nature of the relationship is that ABSA has the right to appoint one representative to the board of Trustees and thereby has an influence on financial and operating policies of the Trust.

Interest Received	40,191,063	35,171,120
Bank Charges	(9,488)	(7,743)

15.3 The transactions between the Trustees and The Rustenburg Water Service Trust is classified as related party transactions. The nature of the relationship is that the Trustees are all on the board and thereby has an influence on financial and operating policies of the Trust.

KG Lebethe	88,550	273,700
M Rapoo	56,350	104,650
E Scheepers	56,350	104,650
P Mayeza	40,250	104,650
	<hr/>	<hr/>
	241,500	587,650

15.4 The transaction between senior management and The Rustenburg Water Services Trust is classified as related party transactions.

Chief Executive Officer	Moabi Pitsi	1,809,215.08	1,165,871
Chief Financial Officer	Marius Jacobs	958,500	1,049,598
		<hr/>	<hr/>
		2,767,715	2,215,470

15.5 Key Management of the entity. Due to the relationship between the RLM and the RWST, senior management of RLM is sitting on the Exco of the RWST and as such are regarded as related parties. However, no transactions occurred between the RWST and them.

#### 16 COMPARRISON TO BUDGET

The actual performance is compared to the budget and is included on the Statement of Comparison of Actual vs Budget.

#### 17 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The Trust received formal objection from one or more of its bidders on tender RWST2017/02 (Bospoort Treatment works upgrade), this matter is receiving attention. There is a lost opportunity cost in this regard and the new tender would most probably be awarded in the 2026 financial year.

##### Preper procurement process not followed

Opening balance	168,228,742	-
Irregular expenditure incurred during the year	215,647,921	168,228,742
	<hr/>	<hr/>
	383,86,663	168,228,742

Irregular expenditure identified during the current year is undergoing the process of being subjected to investigation. Full details are available in the irregular expenditure register.

#### 18 COMMITMENTS

The Trust entered into service level agreements with companies in order to fulfil certain of the Trust's obligations. All the commitments are accrued on a monthly basis as and when the services are rendered.

Ecoleges	157,508	157,508
RCC	-	953,770

Rustenburg Water Services Trust



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 June 2025**

<b>19</b>	<b>INTERGOVERNMENTAL ALLOCATIONS</b>				
	The net amount of VAT paid over to the South African Revenue Services.			7 731 835	6 528 952
			<b>2025</b>		<b>2024</b>
<b>20</b>	<b>IMPAIRMENT</b>	Recognised in net assets	Recognised in surplus / deficit	Recognised in net assets	Recognised in surplus / deficit
	Land & Buildings				2 050
	Plant & Equipment				3 581 273
	Moveable's				8 183
					3 591 506

The Trust did not do impairment testing during the current financial year as the AG does not agree with the Trust methods. It would be fruitless expenditure to do this exercise and the Trust will wait for the asset management company to be appointed.

An 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 assets future economic benefits or service potential through depreciation. An impairment loss of a cash flow generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. In terms of par.08 of GRAP 26, the Trust need to assess at the reporting date whether there is an indication that the value of the asset may be impaired since the last revaluation.

The assets of the RWST is water treatment plants and are considered to be cash generating units. The recoverable amount is regarded as its fair value less cost to sell. The fair value is determined by reference to an active market. The impairment resulted from obsolescence.

## 21 CHANGE IN ACCOUNTING ESTIMATE

In terms of the 2012 revaluation, the remaining useful life was limited to the end of the leasing period. IAS17 determines that the depreciation period is limited to the remaining period of the lease in case where there is no certainty over the ownership of the assets. During 2016/17 the municipality started a section 78 process. This is a clear indication that the assets will not revert back to the Municipality after the lease expiry date and as a result the trust now had reason to deviate from IAS17 and could no longer limit the remaining useful life to the end of the lease period. During the 2017 revaluation, condition assessments were performed, new residual values and estimated useful lives were determined resulting in a lower depreciation charge.

The amount of the effect in the current and future periods could not be disclosed, estimating it is impracticable due to the fact that the change in residual values and estimated useful lives were identified as part of the 2017 revaluation and could not be differentiated.

As mentioned in note 3, the Trust will adopt the Cost Model Method in the 2026 financial year and will change its accounting policy then.

22 DEVIATION FROM COMPETITIVE BIDDING

During the financial year we deviated from competitive bidding with the WSSA contract. This contract is considered to be essential services and will be in place up until new contractors have been appointed. This contract was out on tender but after the Rustenburg Local Municipality interfered with the process the tender validity period lapsed. The WSSA contract will go out on tender in the following financial year.

Len Dekker - R 850,000.00

During the year the Trust deviated from competitive bidding with the procurement of Len Dekker attorneys. Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The CMS court case was heading for the high court, Case No M530/2020 and it did not make sense to procure new attorneys when the case was midway. Len Dekker Attorneys was appointed on a quotation basis in Dec'20 and in June'21 it was extended to ensure the factual preparation of the Court case involving CMS is completed. In terms of section 12.22(2) the reasons for deviation need to be reported at the next board meeting (2 July 2021) and same must be disclosed in the AFS of the RWST for that financial year.

Len Dekker - R 1,520,000.00

Sec 12.22 of the RWST SCMP was used for exceptional cases where it was deemed impractical or impossible to follow official procurement processes. The RWST and its Trustees was challenged in the high court on an urgent basis and it did not make sense to procure new attorneys in this urgent matter. Len Dekker Attorneys was part of a three quotation basis and was second on scoring prices. As the first firm did not have the requisite expertise available, the second was requested to represent to RWST in this urgent matter. Mr Kumble won part A and as a result the RWST was compelled to carry his legal cost (Sifumba Attorneys) In terms of section 12,22(2) the reasons for deviation need to be reported at the next board meeting (5 August 2021 and resolution #97) and same must be disclosed in the AFS of the RWST for that financial year.

## 23 CONTINGENT LIABILITIES

We assess that the costs order in the High Court, Pretoria, Case No. 2022-047351 - Kumbe v RLM & Rustenburg Water Services Trust proceedings creates a potential obligation for the Trust to contribute to the applicant's costs if the proceedings are revived and costs are taxed and enforced. In light of the current dormancy of the matter and the reasonable prospect of a non-punitive outcome (including the possibility of an agreed position that each party bears its own costs), we regard the risk of the Trust ultimately bearing a material share of costs as possible, but not probable. We consider it appropriate to treat this as a contingent cost exposure rather than as a firm obligation in a determinable amount at this stage. Our current estimate is R 450,000.

## Rustenburg Water Services Trust



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the year ended 30 June 2025

		2025	2024
<b>24 COST OF SALES</b>			
Cost of sales attributable to water purification works		35 519 701	37 810 690
Cost of sales attributable to sewerage purification works		125 179 695	91 860 560
		<hr/>	<hr/>
		160 699 396	129 671 250
<b>25 REPAIRS</b>			
Repairs attributable to water purification works		3 385 463	3 833 664
Repairs attributable to sewerage purification works		15 630 018	14 418 244
Repairs attributable to RLM assistance and unblocking of drains which falls outside of the scope of the Trust		11 527 813	3 909 329
		<hr/>	<hr/>
		30 543 294	22 161 238
<b>26 BUDGET VARIANCES</b>			

### Material differences between final budget and actual amounts

It is general practice to deem a 10% and above deviation on operational revenue and expenditure versus the final budget as material. If the deviation is more than 10% then rand value of the deviation should also be above R 1,000,000 for it to be considered material.

#### Revenue:

##### Sales to RLM: (10.15% over)

In note 25 above it is clear that the Trust did increase its unblocking expense and this has caused the increase in turnover.

#### Expenses:

##### DWS Compliance: (37.19% over)

There were a lot of more holes tested during this financial year, the Trust to adjust the 2026 budget accordingly.

##### Impairment loss (100,00% under)

The Trust will only realise an impairment loss after the asset management company completed the verification of assets.

##### Insurance: (14.23% over)

The insurance contract should have gone out on tender so the Trust extended the insurance only for six months which was a lot more expensive. Insurance has been taken out for a 12 month period which ends at the end of January 2026, the Trust intends to conclude a contract with a successful bidder for the new period.

##### Legal Fees: (24.88% under)

The Trust budgeted that the Kumbe court case cost would realise in this year, the budget will be kept for next year.

##### Repairs (13.17% under)

Because of procurement issues the Trust could not complete all repair tasks during the financial year.

##### Salaries: (15.07% under)

The Trust only appointed a procurement manager in May 2025 on a secondment basis. We envisage to appoint a permanent manager early in 2026.

##### Trustees Remuneration: (76.59% under)

The Trustees term ended in September 2024, RLM needs to appoint new Trustees and has not done so to date.

##### Section 93J Structure: (100% under)

This budget line item is to assist RLM in creating a fully fledged entity for the water sector within the Municipality. RLM needs to appoint the contractor and drive the process, the Trust will only fund the project.

##### Zero spends (100.00% under)

These budget line items were not spent on during the financial year, mainly because of other priorities and due the constraints on the Trust's SCM procedures.

##### Basis of preparation and presentation of the budget

The budget is prepared on the accrual basis of accounting and the classification format adopted is consistent with that of the financial statements. The period of the budget is 1 July 2024 to 30 June 2025.

Rustenburg Water Services Trust



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 30 June 2025**

## 27 RISK MANAGEMENT

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The entity manages risk through ongoing review of future commitments. Cash flow statements are prepared and monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2025	Less than one year	Between one and two years	Total
Payables from exchange transactions	31 693 020		31 693 020
Accruals	-		-
Finance lease liability	-		-
	<b>31 693 020</b>	<b>-</b>	<b>31 693 020</b>
At 30 June 2024	Less than one year	Between one and two years	Total
Payables from exchange transactions	20 644 152		20 644 152
Accruals	5 510 886		5 510 886
Finance lease liability	502 124	-	502 124
	<b>26 657 162</b>	<b>-</b>	<b>26 657 162</b>

## Credit risk

Credit risk consists mainly of electronic transfers, advance payments and financial instruments. The Trust only deposits money with major banks with high quality credit standing.

The Board's maximum exposure to credit risk is equal to the cost amount of financial assets at balance sheet date and is summarised as follows:

Cash resources	30 June 2025
Accounts receivable from exchange transactions	528 820 555
Accounts payable from exchange transactions	208 727 215
Finance lease liability	31 693 020
Cash resources	30 June 2024
Accounts receivable from exchange transactions	517 076 685
Accounts payable from exchange transactions	112 197 358
Finance lease liability	26 155 038
	502 124
<b>Financial assets by category</b>	
Cash resources	528 820 555
Accounts receivable from exchange transactions	208 727 215
	<b>737 547 769</b>
<b>Financial liabilities by category</b>	
Accounts payable from exchange transactions	31 693 020
Finance lease liability	-
	<b>31 693 020</b>

28 GOING CONCERN

As at 30 June 2025 the Trust had accumulated surpluses of R 1,689,557,444 (2024: R 1,613,259,715) with total assets of R 1,722,513,567 (2024: R 1,640,864,404) and total liabilities of R 32,955,123 (2024: R 27,603,689).

It should be noted that the Trust experienced low inflow volumes on the Rustenburg and Boitekong Waste Water Treatment Works during the last 8 months of the financial year. Although the flows has picked up at Rustenburg the last couple of months the flows are only at 70% where they were two years ago. This negatively effects the cash flows of the Trust and the sustainability of delivering treated water at current standards. It will also have a major impact on any upgrade projects that the Trust undertakes in the foreseeable future.

**Rustenburg Water Services Trust**

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the year ended 30 June 2025



29	CORRECTION OF ERROR	2024	Prior
29.1	<b>The Trust adopted the Cost Model to recognise assets</b> Plant & equipment was credited (statement of financial position) Distributable reserves were debited (statement of financial position) Revaluation surplus was credited (statement of changes in equity) Impairment was debited (statement of financial performance)	4 018 453 4 500 829 5 274 823 4 792 448	
29.2	<b>The Trust adopted the Cost Model to recognise assets</b> Plant & equipment was debited (statement of financial position) Distributable reserves were credited (statement of financial position) Revaluation surplus was debited (statement of changes in equity) Distributable reserves were credited (statement of financial position)		528 131 544 528 131 544 263 820 356 263 820 356
29.3	<b>Recognise new depreciation calculated</b> Depreciation was debited (statement of financial performance) Plant & equipment was credited (statement of financial position)	51 847 785 51 847 785	
29.4	<b>Reverse old calculation value</b> Depreciation was credited (statement of financial performance) Plant & equipment was debited (statement of financial position)	28 548 618 28 548 618	

**Rustenburg Water Services Trust**

APPENDICES TO THE FINANCIAL STATEMENTS  
For the year ended 30 June 2025



**ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**

**INFRASTRUCTURE ASSETS**

	CAPITAL PROJECTS (WIP) R	Water purification works R	Sewerage purification works R	Total R
<b>2025</b>				
Cost/ Revaluation	85 647 399	311 539 335	886 822 438	1 284 009 173
Accumulated Depreciation	-	(39 434 262)	(260 450 806)	(299 885 068)
Net Book Amount	<u>85 647 399</u>	<u>272 105 074</u>	<u>626 371 632</u>	<u>984 124 105</u>
<b>2024</b>				
Cost/ Revaluation	78 347 151	311 539 335	871 956 096	1 261 842 582
Accumulated Depreciation	-	(26 679 562)	(224 159 567)	(250 839 129)
Net Book Amount	<u>78 347 151</u>	<u>284 859 774</u>	<u>647 796 528</u>	<u>1 011 003 453</u>

**POST AUDIT ACTION PLAN (PAAP) – 2024/25 AUDIT REPORT FINDINGS**

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
Consumer debtors	3. During 2024, the municipality did not appropriately account for consumer debtors amounting to R 7 622 878 000 and R7 602 081 000 as disclosed in note 15 to the consolidated and separate financial statements in accordance with GRAP 104, Financial instruments. Differences were identified between the amount reported and the recalculation performed. Consequently, consumer debtors in the consolidated and separate financial statement were overstated by R70 724 199 and	Billing	Water Electricity Building control Refuse removal LED Community development Housing provision.	Read meters in areas where meter readers were previously intimidated to reduce estimates. Locate meters that were installed in the "Owner accounts" and transfer them to the correct owners accounts. Water and electrical departments to assist in locating these meters Provide contracts for all rental accounts - all affected units/directories. Provide feedback on the number of units within	Meter readings with photos. Confirmation reports for water and electricity billing under "owner" Lease agreements. Verification reports.	30 June 2026.

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>revenue from exchange transactions overstated by R59 421 547. Additionally, there was a resultant impact on the surplus for the period and on the accumulated surplus in the consolidated and separate financial statements. My audit opinion on the financial statements for the period ended 2023-24 was modified accordingly. My opinion on the current year financial statements is also modified because of the effect of this matter on the comparability of the consumer debtors for the current period..</p>			<p>the required timeframe when AG is on site.</p>		

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
Payable from exchange transactions	<p>4. I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions, due to the state of the underlying records and lack of information to support these amounts. Additionally, the municipality did not correctly account for payables from exchange transactions as required by GRAP 104, Financial instruments as payables were recognised at incorrect amounts. The payable from exchange transactions was materially misstated due to the cumulative effect of individually immaterial uncorrected</p>	FMS	BTO	<p>Perform a full reconstruction of payables from exchange transactions by tracing balances to original source documentation, including supplier invoices, contracts, delivery notes, statements, and payment records.</p> <p>Where supporting documentation is incomplete or unavailable, alternative audit evidence will be obtained through supplier confirmations, subsequent payments analysis, and ledger-to-bank reconciliations.</p>	<p>Detailed reconciliation schedules reconstructing payables from exchange transactions from the general ledger to original source documentation.</p> <p>Breakdown of balances per supplier, per financial year, including opening balances, movements, and closing balances.</p> <p>Approved correcting journal entries addressing current-year misstatements.</p>	Ongoing

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	misstatements. I was unable to confirm these amounts by alternative means. Consequently, I was unable to determine whether any adjustments to payables from exchange transactions of R1 311 971 000 (2024: R1 142 317 000) and R1 460 889 000 (2024: R1 213 073 000) as disclosed in note 21 to the consolidated and separate financial statements respectively was necessary			Process correcting journal entries to address both current-year misstatements and the cumulative impact of individually immaterial uncorrected misstatements.		

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
Revenue from exchange transactions	5. The municipality did not accurately account for revenue from service charges in accordance with GRAP 9, Revenue from exchange transactions. Differences were identified between the billed electricity and refuse removal and the recalculation performed. Consequently, the revenue and receivables from exchange transactions are understated by R285 069 807 (2024: R324 811 670) for the consolidated and separate financial statements respectively. There was a resultant impact on the surplus for	Billing	Billing unit Electricity Building control Refuse removal	Read meters in areas where meter readers were previously intimidated to reduce estimates. Locate meters that were installed in the "Owner accounts" and transfer them to the correct owners accounts. Water and electrical departments to assist in locating these meters Provide feedback on the number of units within the required timeframe when AG is on site.	Meter readings with photos. Confirmation reports for water and electricity billing under "owner" Verification reports.	30 June 2026.

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	the period and the accumulated surplus.					
	6. The municipality did not have adequate systems to estimate the billing of water and electricity, which resulted in a disagreement in the estimated consumption. I was unable to determine the full extent of the misstatement on sale of electricity and water, stated at R2 220 885 000 (R2 220 885	Billing	Billing Unit	Read meters in areas where meter readers were previously intimidated to reduce estimates.	Meter readings with photos.	30 June 2026.

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	000) and R593 713 000 (R504 847 000) respectively in note 24, and the related consumer debtors on electricity and water, stated at R784 676 000 (R784 676 000) and R2 024 715 000 (R1 996 600 000) in note 15 to the consolidated and separate financial statements respectively, as it was impracticable to do so.					

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>7. In addition, I was unable to obtain sufficient appropriate audit evidence for the sale of electricity and water consumption due to the state of the underlying records and lack of information supporting these amounts. I was unable to confirm this electricity and water consumption by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to consumption, stated at R2 814 598 000 (2024: R2 569 506 000) and R2 725 732 000 (2024: R2 492 264 000) in the consolidated and separate financial statements</p>	Billing	<p>Billing Unit Water Electricity Building control Refuse removal LED Community development Housing provision.</p>	<p>Read meters in areas where meter readers were previously intimidated to reduce estimates.</p> <p>Locate meters that were installed in the "Owner accounts" and transfer them to the correct owners accounts. Water and electrical departments to assist in locating these meters</p> <p>Provide contracts for all rental accounts - all affected units/directories.</p> <p>Provide feedback on the number of units within the required timeframe when AG is on site.</p>	<p>Meter readings with photos.</p> <p>Confirmation reports for water and electricity billing under "owner"</p> <p>Lease agreements.</p> <p>Verification reports.</p>	30 June 2026.

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>respectively. Additionally, I was unable to determine whether any adjustment was necessary to water losses stated at R285 665 000 (2024: R287 323 000) and electricity losses R606 566 000 (2024: R481 122 000) in note 55.</p>					

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
Contracted services	8. The municipality did not appropriately account for its expenditure incurred in the current year in accordance with GRAP 1, Presentation of financial statements. The municipality incorrectly classified capital expenditure under contracted services instead of property, plant and equipment as these expenditures related to installation and replacement of water infrastructure. I was unable to determine the full extent of the misclassification misstatement on contracted services of R904 269 000 (2024: R658 409 000) and	FMS	FC	<p>Conduct a detailed technical review of all expenditure recorded under contracted services relating to the installation and replacement of water infrastructure.</p> <p>Identify expenditure that meets the definition and recognition criteria of Property, Plant and Equipment (PPE) and reclassify such amounts from contracted services to PPE where appropriate.</p> <p>Quantify and correct misclassifications affecting contracted services balances of R904 269 000</p>	<p>Correcting Journal Entries</p> <p>Approved journal entries reflecting the reclassification of expenditure from contracted services to PPE.</p> <p>General ledger extracts before and after corrections.</p> <p>Updated Asset Register</p> <p>Asset register reflecting the capitalised infrastructure assets, including asset descriptions, acquisition dates, values, and useful lives.</p> <p>Evidence of linkage</p>	30-Jun-26

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	R873 033 000 (2024: R636 027 000) as disclosed in note 38 to the consolidated and separate financial statements respectively, as it was impracticable to do.			(consolidated) and R873 033 000 (separate)	between capitalised amounts and the reclassification schedules.	

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
Irregular expenditure (disclosure note 55)	9. Section 125(2)(d)(i) of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments of R105 008 420 (2024: R299 145 479) in contravention of the supply chain management (SCM) requirements which were not included in irregular expenditure disclosed. As the municipality did not quantify the full extent of the irregular expenditure, it was impracticable to determine the resultant understatement of irregular expenditure of R6 658 027 000 (2024: R6 765 017 000) and R6 442 379 000 (2024: R6 596 788 000) as	SCM	All	<ol style="list-style-type: none"> <li>1. Require all SCM non-compliance cases to be reported immediately to the CFO and recorded in the irregular expenditure register.</li> <li>2. Perform a full retrospective review of SCM transactions to identify all irregular expenditure incurred.</li> <li>3. Quantify all irregular expenditure accurately and update the irregular expenditure register accordingly.</li> <li>4. Reconcile the register with payments made,</li> </ol>	1. Irregular expenditure register	On-going

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	disclosed in note 54 to the consolidated and separate financial statements respectively were necessary.			SCM records, and general ledger balances.		
Emphasis of matters Material underspending	16. As disclosed in the consolidated and separate statement of comparison of budget and actual amounts, the municipality underspent its budget by R 539 790 000. The reason for the under expenditure is mainly due to delays in	CFO	OMM	The low electricity consumption by Glencore negatively affected expenditure to be funded from service charges. As part of remedial measures the municipality adopted a fully funded 2026 budget in terms of section	2026 Approved Budget and 2026 Adjustments Budget	28 February 2026

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	procurement processes and low electricity consumption.			18 of the MFMA, which is an indication of credible and realistic revenue projections. Any further revisions to ensure that budget assumptions are credible, will be dealt with through the adjustments budget in terms of section 28 of the MFMA		
Emphasis of matters Unauthorised and fruitless and wasteful expenditure	17. As disclosed in note 52 to the consolidated and separate financial statements, unauthorised expenditure of R60 025 000 was incurred in the current year and the unauthorised expenditure of R16 462 000 in respect of prior years have not yet been dealt	FC	CFO & OMM	Unauthorised expenditure reports have been drafted and submitted for review to deal with 2025 unauthorised expenditure, when the Executive Mayor tables the 2025 Annual Report in line with the MBRR. Unauthorised expenditure for prior years (pre-2025)	Unauthorised Expenditure Reports 2012, 2015, 2016, 2024 & 2025	30 March 2026

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	with in accordance with section 32 of the MFMA.			have be drafted and submitted for review to be dealt with in accordance with S32 of the MFMA		
	18. As disclosed in note 53 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R75 000 was incurred in the current year and the fruitless and wasteful expenditure of R63 456 000 in respect of prior years have not yet been dealt with in accordance with section 32 of the MFMA.	FMS	ALL	<p>A detailed investigation into the fruitless and wasteful expenditure of R75 000 (current year) and R63 456 000 (prior years) is being conducted in accordance with section 32 of the MFMA.</p> <p>The investigation will determine the circumstances leading to the expenditure, identify responsible officials, and assess whether any</p>	<p>Detailed investigation report outlining the nature, causes, and circumstances leading to the fruitless and wasteful expenditure.</p> <p>Supporting schedules reflecting amounts investigated for the current year (R75 000) and prior years (R63 456 000). Copies of invoices, contracts, payment records, correspondence, and any other documents supporting the</p>	30-Jun-26

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
				negligence or misconduct occurred.	expenditure under investigation.  Evidence used to determine responsibility and assess compliance.	

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
Emphasis of matters  Material losses	<p>19. As disclosed in note 15 to the consolidated and separate financial statements, consumer debtors have been significantly impaired. The allowance for impairment amounts to R8 856 154 000 (2024: R7 464 744 000) and R9 117 935 000 (2024: R7 602 081 00) as disclosed in the consolidated and separate financial statements respectively, which represents 97% (2024: 98%) of the total receivables. In addition, as disclosed in note 35 to the consolidated and separate financial statements, debt impairment of R1 230 330 000</p>	CFO Office	Revenue and Billing	<p>Implement the data cleansing exercise by appointment of the service provider by 15 February 2026 to support the current debt collection efforts and credit control actions. Submit the item for debt write off for uncollectable debtors based on the 3 actions (data cleansing, debt collection and credit control)</p>	<p>Data cleansing report Debt collectors analysis report, credit control report and debt write off report.</p>	31-Jul-26

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUe DATE FOR COMPLETION
	(2024: R1 099 634 000) and R1 230 330 000 (2024: R1 099 634 000) was incurred respectively as a result of significant impairment of receivables.					

Key Performance Indicators (KPIs)	<p>KPA 4: Local economic development and job creation</p> <p>Number of SMMEs supported with business development programmes by 30 June 2025</p> <p>35. An achievement of 2 075 small, medium and micro enterprises (SMMEs) supported with business development programmes by 30 June 2025 was reported against a target of 1 000 SMMEs supported with business development programmes by 30 June 2025. 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</p>	LED & PMS	CC, OEM and OMM	<p>KPI 34: To address the finding, the KPI will be reviewed inline with the SMART principles. Technical Data Definition information will be developed in line with the reviewed KPI.</p> <p>KPI 35: The KPI will be reviewed inline with the AG finding and SMART principles. POE submitted will be inline with the KPI as defined in the Data Definition Sheet. CWP listing will be removed from the reporting.</p>	<p>Reviewed SDBIP 2025/26 and new SDBIP 2026/27, KPIs will be reviewed. Technical Data Definition Sheet.</p>	30-Jun-26
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	<p>had been achieved.</p> <p>Number of work opportunities created through public employment programmes by 30 June 2025</p> <p>36. An achievement of 1 845 work opportunities created through public employment programmes by 30 June 2025 was reported against a target of 1 000. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the target was not achieved.</p>				
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CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>KPA 5: Basic services and infrastructure development</p> <p>KPI 25 Percentage appointment and site establishment for AC replacement project for Phatsima &amp; Meriting by 30 June 2025</p> <p>37. An achievement of 2,5% appointment and site establishment for AC replacement project for Phatsima &amp; Meriting by 30 June 2025 was reported against a target of 5% but the audit evidence showed the actual achievement to be 50%. The achievement against the target was better than reported.</p>	DTIS, PMS	Water Unit	<p>KPI 25: Percentage appointment and site establishment for AC replacement project for Phatsima &amp; Meriting by 30 June 2025</p> <p>Site Establishment for Meriting 4 and 5 was completed before June 2025. Providing an achievement of 50%. The Phatsima project is currently at BAC awaiting service provider appointment.</p>	<p>Appointment Letter, Site Handover Minuets and Progress Report</p>	23-Jan-25

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>Various indicators</p> <p>38.I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing.</p> <p>Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.</p>	DTIS, PMS	<p>Water Unit</p> <p>Electrical Unit,</p> <p>OMM</p> <p>OEM</p>	<p>KPI 24: Percentage reduction of Water loss by 30 June 2025</p> <p>The IWA water balance was recalculated following a recommendation from the Auditor-General (AG) during the 2024/2025 financial year audit. The AG identified discrepancies between the water balance figures reported by the Budget Treasury Office (BTO) unit and those reported by the Water Unit, necessitating a review and realignment of the data.</p> <p>KPI 30: Percentage reduction of electricity</p>	<p>Updated IWA Water Balance</p> <p>Report on replaced meters, inspection reports, operations on removal of illegal connections.</p> <p>Monthly progress reports.</p>	<p>23/01/2025</p> <p>Ongoing</p>

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>KPI 24: Percentage reduction of water losses by 30 June 2025 Indicator Target = 2.5% Reported achievement = 3.32%</p> <p>KPI 30: Percentage reduction of electricity losses by 30 June 2025 Indicator Target = 2.5% Reported achievement = 0%</p>			losses by 30 June 2025 RT29 approved and budget for phase 1 rollout of smart meters. This will include inspections of meters( Low buy , no buys and zero consumption), removal of illegal connections and calculations of Public lighting consumptions.		

	<p>Various indicators</p> <p>39. Based on the audit evidence, the actual achievements for three indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the targets were not achieved, the underachievement on the targets were more than reported and the achievements against the targets were lower than reported.</p> <p>KPI 26: Number of formal households with access to water by 30 June 2025 Indicator Target = 85 302 Reported achievement = 85 324</p>	<p>DTIS &amp; PMS</p> <p>DTIS &amp; PMS</p> <p>DCD &amp; PMS</p>	<p>DPHS</p> <p>Water Unit</p> <p>Electrical Unit</p> <p>Waste Management Unit</p> <p>PMS</p>	<p>KPI 26: Number of formal households with access to water by 30 June 2025 Verification and data cleansing of the valuation roll</p> <p>KPI 33: Number of households within the licensed area of provision with access to electricity by 30 June 2025 RT29 approved and budget for phase 1 rollout of smart meters. This will include inspections of meters( Low buy , no buys and zero consumption), removal of illegal connections and calculations of Public lighting consumptions.</p>	<p>Valuation Roll and Billing Report</p> <p>Report on replaced meters, inspection reports, operations on removal of illegal connections. Monthly progress reports.</p> <p>Valuation Roll, Billing Report, Trip Log sheets and Tracking Report, Settlements Report and Job Cards for Informal Settlements</p>	<p>28/02/2026</p>
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	<p>KPI 33: Number of households within the licensed area of provision with access to electricity by 30 June 2025 Indicator Target = 85 302 Reported achievement = 85 324</p> <p>KPI 37: Percentage of formal households on the valuation roll with a weekly solid waste removal service by 30 June 2025 Indicator Target = 97% Reported achievement = 97%</p>			<p>KPI 37: Percentage of formal households on the valuation roll with a weekly solid waste removal service by 30 June 2025: The KPI will be changed during the adjustment in order to address all properties, being informal, formal or commercial, receiving the waste collection services from RLM. KPI will be changes to "Number of areas with a solid waste removal service by 30 June 2026." This will change the Annual and Quarterly targets and will be in numbers in accordance will the Names of Settlements RLM provides waste collection services to. There informal and</p>		
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				<p>settlement settlements will then be under the new KPI as the collection is provided by one organisation (RLM) and it is the same type across the settlements.</p>		
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	<p>Various indicators</p> <p>40. I could not determine the accuracy of various reported achievements, as the indicators were not defined and adequate supporting evidence to clarify the methods and processes for measuring achievement were not provided. Consequently, the reported achievements might be more or less than reported and were not reliable for determining if the targets have been achieved.</p> <p>KPI 32: Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025 Indicator Target = 100% Details: The method of calculation did not align</p>	DTIS  PMU	Electrical Unit  PMS	<p>KPI 32: Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025 Achievements will be both for construction progress and financial progress. Revised program of works with acceleration plan</p> <p>KPI 34: Percentage completion of Tlhabane AC sewer pipes replacement by 30 June 2025 The methods of calculation will be revised for ease of use and reference. These calculations will include the work activities as per the scope of works.</p>	<p>Construction progress will be used a POE</p> <p>Performance indicator calculations spreadsheet. Completion certificates/progress reports of the projects outlining the completed progress and completed scope of work.</p> <p>Roads are all completed how ever final completion certificates will be revised.</p>	<p>30/06/2026</p> <p>31/07/2026</p> <p>30/10/2026</p>
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	<p>with the submitted documents and therefore we could not recalculate the reported achievement based on the method as per the technical indicator description</p> <p>KPI 34: Percentage completion of Tlhabane AC sewer pipes replacement by 30 June 2025 Indicator Target = 85% Details: The method of calculation did not align with the submitted documents and therefore we could not recalculate the reported achievement based on the method as per the technical indicator description.</p> <p>KPI 39: Kilometres of new municipal roads and stormwater drainage system built by 30 June 2025</p>	PMU		<p>KPI 39: Kilometres of new municipal roads and stormwater drainage system built by 30 June 2025</p> <p>The method of calculation will be revised. Stormwater and roads will be separated. Paving will also be measured in Km as per the performance indicator.</p>		
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	2025 Indicator Target = 3.4km Details: The method of calculation did not align with the submitted documents and therefore we could not recalculate the reported achievement based on the method as per the technical indicator description.					
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CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>KPI 36: Number of informal settlements with a waste service by 30 June 2025</p> <p>41. An achievement of 31 informal settlements with a waste service by 30 June 2025 was reported against a target of 30 informal settlements with a waste service by 30 June 2025. However, some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for</p>	DCD & PMS	Waste Management	To be merged with KPI 37 as the measurement will be areas provided with waste collection service.	Valuation Roll, Billing Report, Trip Log sheets and Tracking Report, Settlements Report and Job Cards for Informal Settlements	'28/02/2026

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	determining if the target had been achieved.					

	<p>Various indicators</p> <p>42. Measures aimed at improving performance against targets were reported. However, I could not determine if the measures were actually implemented to improve performance because adequate supporting evidence was not provided for auditing. Consequently, I could not verify whether the reported measures were indeed taken.</p> <p>Percentage appointment and site establishment for AC replacement project for Phatsima &amp; Meriting by 30 June 2025</p> <p>Target: 5%</p> <p>Reported achievement = 2.5%</p> <p>Reported measures:</p> <p>Prioritisation of grand funded projects in the SCM</p>	<p>PMU &amp; PMS</p> <p>DTIS &amp; PMS</p>	<p>Water Unit</p>	<p>Percentage appointment and site establishment for AC replacement project for Phatsima &amp; Meriting by 30 June 2025</p> <p>Site Establishment for Meriting 4 and 5 was completed before June 2025. Providing an achievement of 50%. The Phatsima project is currently at BAC awaiting service provider appointment.</p> <p>Number of informal settlements with access to water by 30 June 2025</p> <p>Rustenburg Local Municipality services 29 informal settlements and all these informal settlements have access to basic water services either through boreholes, Communal Stand Pipes or Water Tankering Services.</p>	<p>Percentage appointment and site establishment for AC replacement project for Phatsima &amp; Meriting by 30 June 2025</p> <p>Appointment Letter, Site Handover Minuets and Progress Report. Phatsima Tender Re-advertisement.</p> <p>Number of informal settlements with access to water by 30 June 2025</p> <p>Informal Settlement Water Supply Report</p> <p>Percentage acquisition of prepaid smart water meters by 30 June 2025</p> <p>RT29 Participation Letter, Council Minuets and Cigicell Appointment Letter.</p>	<p>23-Jan-25</p>
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	<p>process. Appointing competent social facilitators to manage conflict between communities and business</p> <p>Number of informal settlements with access to water by 30 June 2025 Target : 30 Reported achievement = 29 Reported measures: Pitching of JoJo tanks in the informal settlements to ensure measuring the quantity delivered and areas delivered to.</p> <p>Percentage acquisition of prepaid smart water meters by 30 June 2025 Target : 25% Reported achievement: 0 Reported measures: Finalisation of all requirements to fast-track delivery</p>			<p>The Water Unit collects water from a metered stand pipe and each driver fills in the meter readings in the daily job card before delivery to any area. This ensures that the water is adequately accounted for. The statement referring to the “pitching of JoJo tanks in informal settlements to ensure measuring the quantity delivered and areas delivered to” does not reflect Water Services’ operational process for KPI 27. Water Services does not use the pitching or placement of JoJo tanks as a method to measure or provide access to water in informal settlements. Access to water in informal</p>		
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	<p>Percentage reduction of electricity losses by 30 June 202</p> <p>Target : 2.5%</p> <p>Reported achievement: 0</p> <p>Reported measures: The day-to-day inspections on functionality of meters are conducted and fines issued: for Q4 a total of 1 133 meters were audited and 23 fines issued.</p> <p>Streetlights and high mast lights are not metered and will be accounted for by calculating the average consumption. There is a growing concern on illegal connections which must be removed in an operation that will include the South African Police Service, public safety and ward councillors.</p>			<p>settlements is provided through water tanker services, which are scheduled based on the needs of the communities and operational planning.</p> <p>Performance on KPI 27 is monitored through the following:</p> <ul style="list-style-type: none"> <li>➤ Water tanker delivery schedules,</li> <li>➤ Delivery notes in areas serviced,</li> <li>➤ Driver job cards,</li> <li>➤ Volumes of water delivered is measured through the metered collection point</li> </ul> <p>Percentage acquisition of prepaid smart water meters by 30 June 2025</p> <p>Water Services Unit Management notes that the current indicator refers to the installation</p>	
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	<p>Amnesty is underway and there is no positive feedback as customers are not coming forth.</p> <p>Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025</p> <p>Target : 100%</p> <p>Reported achievement: 91%</p> <p>Reported measures: Notice for acceleration of implementation was issued and penalties applied. Close monitoring of progress with weekly site meetings embarked on. The contractor to consider additional resources to speed up work on site.</p>		<p>of new smart water meters in households, while the indicator wording refers to acquisition. This inconsistency between the indicator wording, definition, and data collection method resulted in the indicator not being well defined. To address this, the Water Services Unit for the 2025/26 financial year has sent a proposal for an amendment of the KPI's data definition to "Percentage (%) of new smart water meters installed" and the proposed formula.</p> <p>Proposed Formula: <math>(\text{Number of new smart water meters installed}) / (\text{Total number of new smart meters acquired})</math></p>		
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				<p>)×100</p> <p>Furthermore, the meters that are being procured and installed are smart water meters and not prepaid meters. The inclusion of the term “prepaid” in the KPI was therefore incorrect and not aligned with the actual KPI. This misalignment contributed significantly to the finding that the indicator is both not well defined and measurable.</p> <p>Council has approved the appointment of a service provider for the supply and installation of smart water meters through the RT29 Contract. This will ensure that procurement and installation of the</p>		
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				smart meters to fast track delivery.		
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	<p>Achievement of planned targets</p> <p>44. 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.</p> <p>45. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report.</p>	DTIS & PMS	<p>Water Unit</p> <p>Electrical Unit</p>	<p>KPI 27: Number of informal settlements with access to water by 30 June 2025</p> <p>Rustenburg Local Municipality services 29 informal settlements and all these informal settlements have access to basic water services either through boreholes, Communal Stand Pipes or Water Tankering Services.</p> <p>KPI 29: Percentage acquisition of prepaid smart water meters by 30 June 2025</p> <p>Water Services Unit Management notes that the current indicator refers to the installation of new smart water meters in households, while the indicator wording refers to acquisition. This</p>	<p>KPI 27: Number of informal settlements with access to water by 30 June 2025</p> <p>Informal Settlements Water Supply Report</p> <p>KPI 29: Percentage acquisition of prepaid smart water meters by 30 June 2025</p> <p>RT29 Participation Letter, Council Resolutions, &amp; Cigicell Appointment Letter</p> <p>KPI 32: Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025</p> <p>Report on replaced meters, inspection reports, operations on removal of illegal connections</p>	<p>23/01/2025</p> <p>Ongoing</p>
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	<p>KPI 27: Number of informal settlements with access to water by 30 June 2025        Planned target = 30        Reported achievement : 29</p> <p>KPI 29: Percentage acquisition of prepaid smart water meters by 30 June 2025        Planned target = 25%        Reported achievement : 0%.</p> <p>KPI 30: Percentage reduction of electricity losses by 30 June 2025        Planned target = 2.5%        Reported achievement : 0%</p>		<p>inconsistency between the indicator wording, definition, and data collection method resulted in the indicator not being well defined. To address this, the Water Services Unit for the 2025/26 financial year has sent a proposal for an amendment of the KPI's data definition to "Percentage (%) of new smart water meters installed" and the proposed formula.</p> <p>Proposed Formula:  <math display="block">(\text{Number of new smart water meters installed}) / (\text{Total number of new smart meters acquired}) \times 100</math></p> <p>Furthermore, the meters that are being procured and installed are smart</p>		
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			<p>water meters and not prepaid meters. The inclusion of the term “prepaid” in the KPI was therefore incorrect and not aligned with the actual KPI. This misalignment contributed significantly to the finding that the indicator is both not well defined and measurable.</p> <p>Council has approved the appointment of a service provider for the supply and installation of smart water meters through the RT29 Contract. This will ensure that procurement and installation of the smart meters to fast track delivery.</p> <p>KPI 32: Percentage completion of the Boitekong Substation</p>		
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	<p>KPI 32: Percentage completion of the Boitekong Substation (88kv line and commissioning) by 30 June 2025            Planned target = 100%            Reported achievement : 91%</p>			<p>(88kv line and commissioning) by 30 June 2025            RT29 approved and budget for phase 1 rollout of smart meters. This will include inspections of meters( Low buy , no buys and zero consumption), removal of illegal connections and calculations of Public lighting consumptions.</p>		
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CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
Compliance with legislation	<p>Financial statements and annual reports</p> <p>51. 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.</p> <p>Material misstatements of property, plant and equipment, cash flow statement, segment reporting, principal agent arrangement, transfers and subsidies, contingencies and financial instruments identified by the auditors in the submitted financial statements were subsequently corrected</p>	FC	ALL	<p>The municipality will have bi-monthly AFS preparation and audit steering (internal) committee meetings during the 2026 financial year in preparation for the current year audit with a focus on addressing material prior year audit findings and building a credible audit file to support the AFS. Meetings to commence on 01 March 2026.</p>	<p>Steering Committee minutes and audit file</p>	Ongoing

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	and/or the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.					

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>Expenditure management</p> <p>52. Reasonable steps were not taken to ensure that money owed by the municipality was always paid within 30 days, as required by section 65(2)(e) of the MFMA.</p> <p>.</p>	FMS	ALL	<p>Strengthen cash flow forecasting and monitoring to align payment commitments with available cash resources.</p> <p>Prioritise payment of valid invoices within 30 days based on cash availability, with critical service providers and statutory obligations receiving first priority.</p> <p>Where cash flow constraints prevent settlement within 30 days, engage creditors timeously to manage expectations and, where appropriate, formalise payment arrangements in</p>	<p>Creditor age analysis indicating prioritisation of valid invoices within 30 days.</p> <p>Payment schedules highlighting prioritised payments to critical service providers and statutory obligations.</p> <p>Management-approved payment run listings.</p> <p>Correspondence with creditors regarding delayed payments due to cash flow constraints.</p> <p>Signed payment arrangements or acknowledgement of</p>	Ongoing

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
				line with available cash resources.	revised payment terms where applicable.	

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>Consequence management</p> <p>56. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.</p> <p>57. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p> <p>58. Fruitless and wasteful expenditure incurred by the municipality was not</p>	OMM	ALL	<p>The plan to reduce UIF/W Expenditure has been developed and adopted by council. Reports on the UIF/WE will continually be submitted to MPAC for processing en-route to council.</p>	UIF/W Expenditure reports	Ongoing

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA					

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>Governance and oversight</p> <p>59. The internal audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to risk management, as required by section 165(2)(b)(iv) of the MFMA.</p> <p>60. The internal audit unit did not advise the accounting officer and did not report to the audit committee on the implementation of the internal audit plan on matters relating to compliance with Dora, as</p>	Internal audit	None	<p>a) The IA operational plan for 2025/26 has budgeted hours for matters relating to risk management.</p> <p>b) We will consider including compliance with Dora in our plan for 2026/27 or issue an advisory relating to DORA compliance related matters based on risk assessment.</p> <p>c) PAC minutes will be detailed in order to capture review of quarterly reports pertaining to performance measurements. Quarterly report of PAC to Council will be maintained and provided as evidence that</p>	Internal Audit Report or Advisory on Risk Management PAC minutes, Internal Audit quarterly reports on AoPI, PAC quarterly reports to Council	30-Jun-26

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>required by section 165(2)(b)(vii) of the MFMA.</p> <p>61. The audit committee did not review the quarterly reports submitted by the internal auditors on the audits of performance measurement as required by regulation 14(4)(a)(i) on municipal planning and performance management</p>			Regulation 14(4)(a)(i) has been complied with.		

	<p>Procurement and contract management</p> <p>62. Some of the contracts were awarded to bidders based on points given for legislative requirement that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a) (i) and the Preferential Procurement Regulations. This non-compliance was identified in the procurement processes for the appointment of service provider for the repairs and maintenance of roads changing rooms and ablution facilities, appointment of a contractor for the replacement of Tlhobane AC water pipes: Phase 2</p>	SCM	ALL	<p>62.1 Ensure that all bid specifications, evaluation criteria, and preference point systems are fully aligned with SCM Regulations and Preferential Procurement Regulations before advertisement.</p> <p>62.2 No changes to evaluation criteria will be permitted after bid advertisement. Ensure Bid Evaluation and Bid Adjudication Committees verify that evaluation criteria applied strictly match those in the bid document.</p> <p>63.1 Formally designate contract managers for each contract in writing, with clearly defined roles and responsibilities.</p> <p>Develop and implement</p>	<p>1. Bid Committees Minutes and reports</p> <p>2. Appointment of a contract manager</p> <p>3. Monthly monitoring report</p> <p>4. Contract Management Policy</p>	30-Jun-26
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	<p>and appointment of a contractor for the replacement of Tlhabane sewer pipes – phase 2.</p> <p>63. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. Similar limitation was also reported in the prior year.</p> <p>64. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA.</p>			<p>standard contractor performance monitoring templates aligned to contract deliverables.</p> <p>63.2 Monitoring to include progress reports, site inspections, and payment verification.</p> <p>64.1 Develop or update a comprehensive contract management policy aligned to MFMA section 116.</p> <p>64.2 Policy to cover performance monitoring, reporting, amendments, and close-out procedures.</p>		
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	Similar limitation was also reported in the prior year.					
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CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>Revenue management</p> <p>65. An adequate management, accounting and information system which accounts for revenue and receipt of revenue was not in place, as required by section 64(2)(e)(i) and (iii) of the MFMA.</p> <p>66. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.</p>	Billing & Revenue	Financial system	Procure a new MScOA compliant financial system that will cater for all the requirements of revenue management	New MScOA compliant financial system.	30 June 2026.

CLASS	FINDING	MAIN RESPONSIBLE UNIT	DEPENDENCY - UNIT/S	ACTION TO ADDRESS FINDING	PORTFOLIO OF EVIDENCE	DUE DATE FOR COMPLETION
	<p>Strategic planning and performance management</p> <p>67. The performance management system and related controls were inadequate as it did not enable useful and reliable performance management and reporting as required by municipal planning and performance management regulation 7(1).</p>	PMS	None	<p>The PMDS Policy Framework will be tabled for council approval. Adherence to the approved policy framework will be monitored regularly.</p>	<p>Approved Policy Framework and council resolution</p>	30-Jun-26

## APPENDICES A – T

### APPENDIX A

The following table depicts all councilors in the Municipal Council, the political parties they represent, their standing in the council (Ward or Proportional Representative), number of meetings planned and attended

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
Cllr Bridger A T	DA	PR	16	4	5	9
Cllr Coetzee M	DA	PR	16	6	7	13
Cllr Cronje J C	DA	Ward 16	16	4	6	10
Cllr Diale B K	EFF	PR	1	0	0	0
Cllr De Beer J M	FF+	PR	16	6	7	13
Cllr Du Plessis G	DA	Ward 14	16	6	8	14
Cllr Dumani M C	ANC	Ward 37	16	5	5	10
Cllr Edwards I	DA	Ward 15	16	7	7	14
Cllr Fulani W	ANC	Ward 28	16	7	7	14
Cllr Gaonakala M I	ANC	PR	16	6	6	12
Cllr Grove A S	DA	Ward 42	16	6	6	12
Cllr Gumede J S	TCM	PR	3	1	0	1
Cllr Keyser J	DA	PR	16	5	9	14
Cllr Kgoadi K K	TCM	PR	13	5	6	11
Cllr Kgotse P C	TCM	PR	16	4	4	8
Cllr Khoeli L	Ind	Ward 33	16	6	8	14

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
Cllr Kibini M E	ANC	PR	16	6	7	13
Cllr Kombe O J	BCM	PR	16	7	8	15
Cllr Kotu M	TCM	PR	16	6	6	12
Cllr Langeni E	ANC	Ward 02	16	6	5	11
Cllr Lebethe POL	EFF	PR	16	6	7	13
Cllr Mabale-Huma S S K	ANC	PR	16	7	8	15
Cllr Mabe L L	ANC	PR	4	0	0	0
Cllr Macone I S	ANC	Ward 44	16	5	8	13
Cllr Makhanda R R	ANC	PR	16	7	8	15
Cllr Makhuto A	ANC	Ward 22	16	6	7	13
Cllr Malan P A	DA	PR	16	2	6	8
Cllr Malinga M	ANC	Ward 09	16	4	4	8
Cllr Manyaku E S	TCM	PR	13	5	5	10
Cllr Mareko B B	ANC	PR	16	7	7	14
Cllr Mashiakgommo K D	EFF	PR	16	6	9	15
Cllr Matjene T E	TCM	PR	16	5	1	6
Cllr Maumakwe J D	EFF	PR	16	5	8	13
Cllr Mkhholwa SP	ANC	Ward 35	16	5	7	12
Cllr Mmapitsa OC	ANC	Ward 26	16	5	7	12

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
Cllr Mmolotsi MM	EFF	PR	16	3	8	11
Cllr Moatshe F S	ANC	Ward 10	16	3	5	8
Cllr Moduke	ANC	Ward 8	16	6	9	15
Cllr Moetsi S	ANC	PR	6	2	0	2
Cllr Mogwera J G	EFF	PR	16	5	5	10
Cllr Mokapi C T	TCM	PR	16	5	4	9
Cllr Mokgatlhe	TCM	PR	4	0	0	0
Cllr Mokgosi T C	EFF	PR	16	6	7	13
Cllr Molatlhegi	EFF	PR	12	0	2	2
Cllr Molefe T G	MKP	PR	14	6	6	12
Cllr Monaise K L	EFF	PR	16	4	7	11
Cllr Mooketsi	ANC	Ward 30	16	4	1	5
Cllr Morei K B	ANC	Ward 37	16	5	9	14
Cllr Moreki B I	ANC	Ward 05	16	3	6	9
Cllr Mosete M E E	ANC	Ward 38	16	0	0	0
Cllr Mosito A M	ANC	Ward 39	16	6	5	11
Cllr Motlhamme G S	EFF	Ward 24	16	4	8	12
Cllr Motshegwe	ANC	Ward 12	16	6	9	16

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
Cllr Mpele J B	ANC	Ward 19	16	5	6	11
Cllr Mputle V	ANC	Ward 03	16	5	9	14
Cllr Mtoto M	EFF	PR	16	5	9	14
Cllr Myoli V N	DA	PR	16	6	7	13
Cllr Nageng B V	EFF	PR	16	6	7	13
Cllr NeL D	FF+	PR	16	6	7	13
Cllr Ngwenya L M	T C M	PR	16	4	4	8
Cllr Nhacaungue N	DA	PR	16	5	8	13
Cllr Nortjie J J	DA	Ward 18	16	5	5	10
Cllr Notshaya N G	UDM	PR	16	5	5	10
Cllr Ntshabele K P	ANC	PR	16	3	4	7
Cllr Phalole M D	EFF	PR	16	7	9	16
Cllr Phiri K D	ANC	Ward 34	16	7	8	15
Cllr Phutu K K	ANC	Ward 29	16	7	8	15
Cllr Pooe M M	ACDP	PR	16	7	8	15
Cllr Pule E S T	ANC	Ward 07	16	6	7	13
Cllr Pule L J	ANC	PR	16	3	7	10
Cllr Pule T D	EFF	PR	16	7	9	16
Cllr Qobeka J	ANC	Ward 40	16	6	7	13

Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
Cllr Ralokwakweng J O	EFF	PR	16	7	9	16
Cllr Rampou D T	ANC	Ward 21	16	4	4	8
Cllr Rapoo O H	ARONA	PR	16	6	4	10
Cllr Rootman A P	FF+	PR	16	5	8	13
Cllr Rothman T	DA	Ward 17	16	6	8	14
Cllr Salang J	ANC	Ward 32	16	4	6	10
Cllr Seloma D M	ANC	PR	9	2	2	4
Cllr Segoe L M	EFF	PR	15	6	9	15
Cllr Seleka A A	ANC	Ward 20	16	6	7	13
Cllr Sentsho S L	ANC	Ward 13	16	6	7	13
Cllr Serongoane P H	ANC	Ward 25	16	6	8	14
Cllr Serunye C K	ANC	Ward 36	16	3	4	7
Cllr Sethonga D M	ANC	Ward 01	16	4	7	11
Cllr Snyders L B	DA	Ward 43	16	6	9	15
Cllr Tause S S	ANC	Ward 06	16	3	5	8
Cllr Tlatsana V	ANC	Ward 31	16	5	6	11
Cllr Vena E K	ANC	Ward 04	16	7	8	15
Cllr Xatas N S	AIC	PR	16	4	5	9
Cllr Xhinela Z	ANC	Ward 41	16	4	6	10

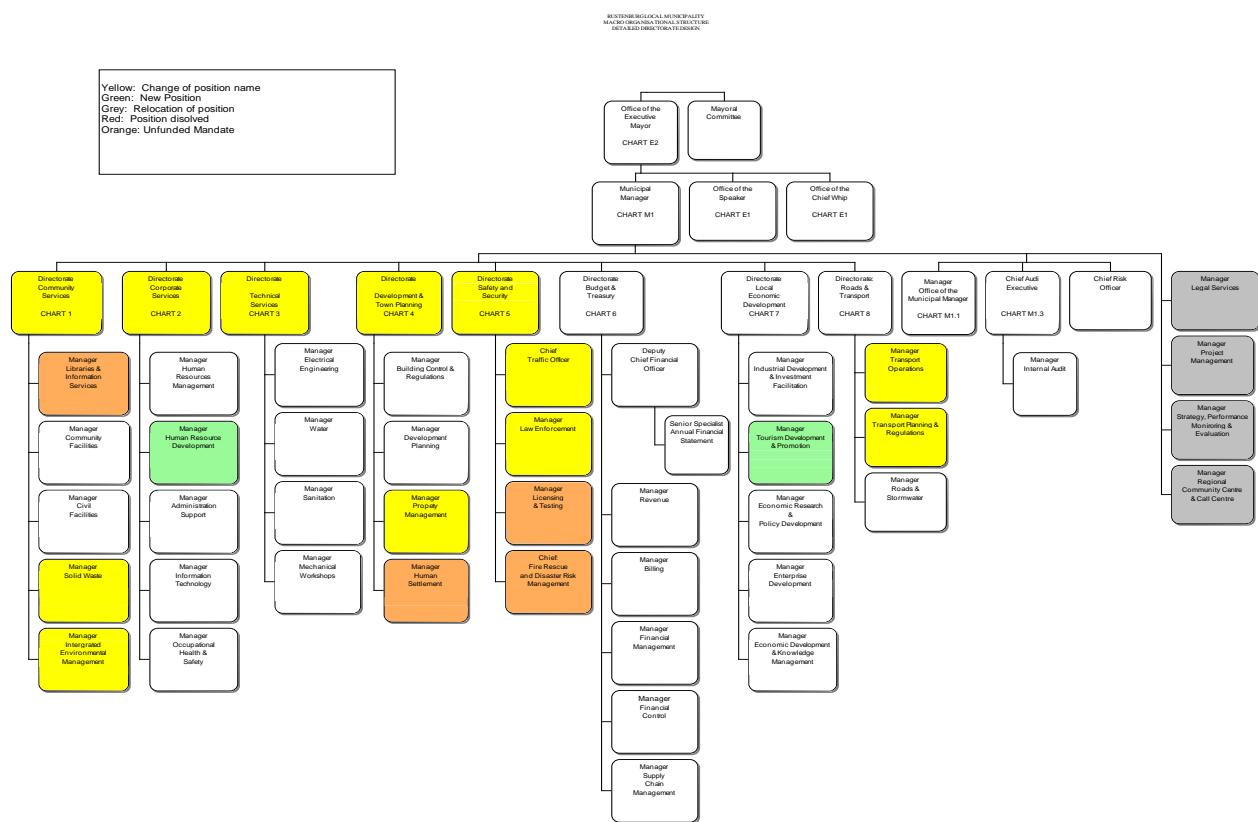
Councilor	Political Representation	Ward or Proportional Representation	Total Number Council Meetings	Attendance of each Councilor		
				Ordinary	Special	Total meetings attended
Cllr Zimba K M	EFF	PR	16	4	6	10

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSE

Section 79 Committees		
No.	Name of Committee	Purpose of Committee
1.	Rules of Order	To regulate the internal arrangements, business and proceedings, establishment, composition, procedure, powers and functions of its Council and Committees and to provide for matters incidental thereto.
2.	Performance Audit Committee	To advise and assist Council, Management and Internal Audit on improving the quality of accounting and internal control functions and to strengthen the credibility of financial reporting
3.	Local Labour Forum	To provide a framework within which employees and their trade unions, employers and employers' organisations can collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest
4.	Municipal Public Accounts Committee	To provide oversight over the executive obligations of Council and administration
5.	Municipal Planning Tribunal	To provide oversight on land use amendment applications that has been submitted, this is in terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013).
6.	Mayoral Committee	To assist the Executive Mayor in executing his/her functions. The Executive Mayor is the chairperson of the Mayoral Committee.
Section 80 Committees		
No.	Name of Committee	Purpose of Committee
1.	Budget & Treasury	Provide portfolio responsibilities on issues of income, expenditure, budgeting, risk management and auditing
2.	Corporate Support Services	Provide portfolio responsibilities on issues of human resources, administration and information and technology
3.	Community Development	Provide portfolio responsibilities on issues of health services, community facilities and library and information management.
4.	Technical and Infrastructure Services	Provide portfolio responsibilities on issues of electricity, water and sanitation, waste management, roads and storm water and mechanical engineering
5.	IDP, Performance Management, legal & valuation	Provide portfolio responsibilities on issues of IDP; Performance management, legal and valuation and internal auditing
6.	Local Economic Development	Provide portfolio responsibilities on issues of enterprise development, SMME support, industrial development/manufacturing, LED projects, arts, culture and

Section 79 Committees		
No.	Name of Committee	Purpose of Committee
		heritage development, tourism development and marketing, agriculture and rural development and research and development
7.	Planning, Human Settlement & Transport	Provide portfolio responsibilities on issues of environmental management, housing provision, building control, development planning and estates administration.
8.	Public Safety	Provide portfolio responsibilities on issues of emergency, disaster management, road traffic management and by-law enforcement.
9.	IGR, Youth, Children and People Living with Disability	Provide portfolio responsibilities on issues of Inter-Governmental Relations, Youth, Children and People Living with Disabilities.
10.	Roads and Transport Services	Provide portfolio responsibilities on issues of Road Transport service
11.	IDP & Budget Steering Committee	Provide oversight responsibilities on issues on IDP and Municipal financial management

## APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE (INCLUDING MUNICIPAL ENTITY)



APPENDIX D: POWERS AND FUNCTIONS ALLOCATED TO THE MUNICIPALITY

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Air Pollution	Management of the air quality that affects human health.	P
Building Regulations	Regulations through by-laws that provide for approval of building plans, building inspections and control of operations and enforcement of contraventions of building regulations.	P
Child Care Facilities	Facilities for early childhood care and development which fall outside the competence of national and provincial government.	NP
Electricity Reticulation	Bulk supply of electricity which includes for the purposes of supply, transmission, distribution, and where applicable generation of electricity to areas where the municipality has been providing these services prior to authorisation.	P
Fire Fighting Services	Planning, coordination, and regulation of fire services.	P
Local Tourism	Promotion, marketing, and development of tourist attraction within the municipal area in order to grow the local economy.	P
Municipal Airport	A demarcated area on land or water or a building which is used for the arrival or departure of aircraft.	NP
Municipal Planning	Compilation and implementation of integrated development plan.	P
Municipal Public Transport (only with regard to taxis)	The regulation and control of services for the carriage of passengers.	P
Storm Water Management Systems	Management of systems to deal with storm water in built-up areas	P
Trading Regulations	Regulation of any area or facility dealing with trade in goods or services.	P

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Water	Establishment, operation, management, and regulation of a portable water supply system, including the services and infrastructure required.	P
Sanitation	Establishment, operation, management, and regulation of a potable water supply system, including the services and infrastructure required.	P
Amusement Facilities	Management and control of a public places for entertainment.	NP
Billboards and Display of Advertisement in Public Places	Display of written or visual descriptive material which promotes the sale and encourages the use of goods and services found in streets, roads, etc.	P
Cemeteries, Funeral Parlours and Crematoria	Establishment, conduct and control of facilities for the purpose of disposing of human and animal remains.	P
Control of Public Nuisance	Cleaning of public streets, roads, and other public spaces.	P
Control of Undertakings that sell Liquor to the Public	Includes inspection service to monitor liquor outlets for compliance to license requirements.	NP
Facilities for the accommodation, Care and Burial of Animals	Control and monitoring of facilities which provide care for the animals and their burial or cremation	NP
Fencing and Fences	Provision and maintenance or regulation of any boundary or deterrents to animals and pedestrians along a street or road.	NP
Licensing of Dogs	Control over the number and health status of dogs through a licensing mechanism.	NP
Licensing and control of Undertakings that sell Food to the Public	Maintenance of environmental health standards through regulation, licensing, and monitoring of any place that supply refreshments or food for consumption to the public.	P

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Local Amenities	Provision, maintenance and control of any municipal land or building reserved for the protection of places or scenic objects, historical and cultural value, or interest.	P
Local Sport Facilities	Provision, management and control of any sport facility within the municipal area.	P
Markets	Establishment operation or management of markets other than fresh produce markets.	NP
Municipal Abattoirs	Establishment, conduct and control of facilities for the slaughtering of livestock.	NP
Municipal Parks and Recreation	Provision, management and control of any land or gardens set aside for recreation, sightseeing and or tourism.	P
Municipal Roads	Construction, maintenance, and control of a roads.	P
Noise Pollution	Control and monitoring of any noise that might affect human health or wellbeing.	P
Pounds	The provision, management and maintenance of a facility set aside for securing animals confiscated by the municipality.	P
Public Places	Management, maintenance and control of any land or facility for public use.	P
Refuse Removal, Refuse Dumps and Solid Waste Disposal	Removal of any household or other waste and the disposal of such waste in an area.	P
Street Trading	Control, regulation and monitoring of eth selling of goods and services along public pavement or road reserve.	P
Street Lighting	Provision and maintenance of lighting for illuminating of streets.	P

POWERS AND FUNCTIONS	DESCRIPTION	Performed/ Not Performed
Traffic and Parking	Management and regulation of traffic and parking within the area of the municipality.	P
Municipal Public Works	Any supporting infrastructure or services to empower a municipality to perform its functions.	P
Cleansing	Cleaning of public places.	P

#### APPENDIX F: MANAGEMENT OF WARD COMMITTEES

NUMBER OF FUNCTIONAL WARD COMMITTEES	NUMBER OF MONTHLY MEETINGS CONDUCTED	NUMBER OF RECOMMENDATIONS MADE TO COUNCIL	NUMBER OF FEEDBACK SESSIONS
44	528	0	0

#### WARD COMMITTEE FORUMS

DATE OF FORUM	DISCUSSION ITEMS	RESOLUTIONS TAKEN
None	None	None

#### INTERACTION WITH HOUSE OF TRADITIONAL LEADERS

NAME OF TRADITIONAL AUTHORITY	DATE OF MEETING	DISCUSSION ITEMS	RESOLUTIONS TAKEN
0	0	0	0

#### WARD COUNCILORS AND WARD COMMITTEES TRAINING

TYPE OF TRAINING PROVIDED	DATE OF TRAINING	DATE COMPLETED
None	None	None

## APPENDIX G:

### REPORT OF THE PERFORMANCE AUDIT COMMITTEE ON RUSTENBURG LOCAL MUNICIPALITY (RLM) FOR THE YEAR ENDED 30 JUNE 2025.

#### LEGISLATIVE REQUIREMENTS

The purpose of this report is to communicate to the council the Performance Audit Committee's progress in carrying out its oversight responsibilities in terms of Section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with Circular 65 (November 2012) published by the National Treasury for the year ended 30 June 2025.

The MFMA obliges every municipality to establish an independent audit committee, which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipality as well as the accounting officer and the management staff of the municipal entity, on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the municipality.

The Performance Audit Committee is governed by the Charter (formal terms of reference), which are regularly reviewed and approved by the council. The committee is pleased to present its report for the financial year ended 30 June 2025.

#### PERFORMANCE AUDIT COMMITTEE STRUCTURE

The Performance Audit Committee was established in accordance with Section 166 of the MFMA read with MFMA Circular 65 (November 2012) issued by the National Treasury. The committee charter requires that the audit committee comprises of five (5) independent members.

During the year under review Performance Audit Committee had three (3) members were appointed on 3 November 2023, there is currently two (2) vacancies to be filled. The two (2) vacancies did not affect the functioning and fulfilment of the mandate of the committee and its legislative responsibilities.

Attendance of meeting was as follows during the financial year under review (2024/25):

No.	MEMBER	ROLE	MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	S. Ngobeni	Chairperson	19 July 2024 (4th Quarter – 2023/24)	8	8
2.	G Mokoana	Member	23 August 2024 (AFS & APR 2023/24)	8	8
3.	M Matolong	Member	13 September 2024 (RLM & RWST - Audit Strategy & Engagement Letter)	8	8

No.	MEMBER	ROLE	MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
			15 November 2024 (1st Quarter - 2024/25) 03 December 2024 (RLM PAC - Draft Management Report & Draft Audit Report 2023/24) 28 February 2025 (2nd Quarter - 2024/25) 14 March 2025 (2nd Quarter continued) 21 May 2025 (3rd Quarter – 2024/25)		

The members of the audit committee held meetings with the municipal manager (accounting officer), senior management (acting directors) of the municipality, the internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the municipality, throughout the reporting period. The committee also held a meeting with the executive mayor of the council to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the municipality. The committee presented their reports directly to Council.

Furthermore, the committee had a session with the Municipal Public Accounts Committee (MPAC) to discuss the audit report 2023/24 as part of the oversight report compilation.

#### PERFORMANCE AUDIT COMMITTEE RESPONSIBILITY

The Performance Audit Committee reports that it has complied with its responsibilities arising from Section 121, 166, 165 of the Municipal Finance Management Act, Treasury Regulation 3.1.13, MFMA Circular 65 and reports that it operated in terms of the audit committee charter read in conjunction with the internal audit charter.

#### Stakeholder Engagement/s

The committee has been able to engage with the following stakeholders:

National Treasury

Provincial Treasury

North West AGSA

#### The Effectiveness of Internal Control

The committee is concerned that in certain instances the matters reported by the internal audit function and external auditors in prior years have not been fully and satisfactorily addressed. Management has given assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the audit committee will monitor these going forward. Internal controls of the municipality are partially effective, and several material internal control breaches came to the attention of the committee i.e. lack of effective performance management, non-compliance, lack of consequence management, lack of record management system and inadequate reporting. Internal and external audit findings were not urgently responded to by management which has a negative impact on the municipal control environment. 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 2025, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Performance Audit Committee concluded that the municipality's system of internal financial controls is partially effective and several material internal control breaches came to the Committee's attention.

It is imperative that management reviews its recruitment procedures and processes to ensure that critical funded vacancies are filled expeditiously with properly qualified, skilled and experienced personnel in compliance with the legislative requirements.

The quality of monthly and quarterly reports submitted in terms of the MFMA

The Performance Audit Committee is not fully satisfied with the content and quality of monthly and quarterly reports prepared and issued in compliance with the statutory framework. The committee has engaged with management to remedy shortcomings, especially relating to the reports on performance against predetermined objectives. Furthermore, the committee has recommended that specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

The committee has recommended that the municipality prepare interim financial statements that comply with Standards of Generally Recognised Accounting Practice (GRAP), which would assist in performing reconciliations timeously as well as in eliminating year-end adjustments. The Performance Audit Committee has reviewed and commented on the municipality's and entity's annual financial statements and report on performance information and their timely submission to the external auditors by 31 August and consolidated on 30 September 2025

Internal Audit function

The accounting officer is obliged, in terms of Section 165 of the MFMA, to ensure that municipality has a system of internal audit under the control and direction of the audit committee. The Performance Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Performance 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;

Internal audit performed 33 of the 35 planned engagements based on the approved risk-based audit plan. A consideration of budget allocation of at least 1% of the overall budget to internal audit, which is line with the standard general practice in the industry. Furthermore, this will assist with sufficient allocation of budget for the IT Audits, Performance Audits – Three E's (Value for Money – Efficiency, Effective and Economical) Audit, Environmental Audits, Special Investigations, Forensic Investigations and / or any other specialised audit.

The reviewed organisational structure will assist the internal audit function by getting the necessary skills and agility required for the function to respond quickly and effectively to the demands for internal audit across the various directorates of the municipality and the municipal entity (RWST).

The capacity of internal audit function must be enhanced by reviewing the current organisational structure in consideration with the size of the municipality including the municipal entity (Rustenburg Water Services Trust - RWST) and internal controls challenges.

#### Risk Management function

The Performance Audit Committee reviewed the municipality's policies on risk management and strategy (including Information and Communication Technology (ICT) Governance) and monitored the implementation of risk management policy and strategy and concluded that the municipality's risk management maturity level is not satisfactorily. The committee is concerned that with the risk function being understaffed, which will result in non-delivery by the function if the situation is not addressed.

The committee remains concerned that not all ICT and financial risks are being addressed or mitigated in implementing new systems which is emanating from the monitoring of the risk register and progress reports on the respective action plans.

The committee is urging management to adopt an aggressive anti-corruption measures to curb and prevent possible fraud and corruption. There is a need to develop and / or review a detailed fraud prevention plan and progress reports on the action plans for addressing the fraud risks.

The committee was responsible for the oversight of the risk management. The risk management committee reported to the committee on quarterly basis.

#### In-Year Management and Monthly / Quarterly Report

The quarterly review of in-year monitoring systems and reports, the Performance Audit Committee is still not satisfactory with the quality, accuracy, usefulness, reliability, appropriateness, and adequacy of the municipality in-year reporting systems. Lack of improvement of the year-end reporting led to adjustment of the Annual Financial Statements and the Annual Performance Report after submission to the AGSA.

#### Performance Management System

The committee is emphasising to the Accounting Officer to that there is a need for proper action plan to for the municipality to improve the opinion on the Performance management and reported performance against the predetermined objectives. The municipality is not progressing in this area and the performance management system remain inadequate especially in areas of evaluation and monitoring of service provider performance (together with lack of effective contract management of contractors), regular and timeous performance assessment of senior managers. Furthermore, the municipality still to cascade down performance management to staff at lower levels.

The reported performance by the municipality must be agreed to the supporting documentation provide. The formulation of the Key Performance Indicators (KPIs) to be done before the start of the financial year (predetermined – setting target before not during and / or at the end of the financial year) and must be Specific Measurable Achievable Realistic Timebound (SMART).

Ineffective performance management system and related controls reporting that did not enable useful and reliable performance measurement and reporting as required by legislation (Municipal Planning and Performance Regulation).

#### Evaluation of the finance function

The appointment of critical management positions of the Chief Financial Officer and Unit Manager: Supply Chain Management during the financial year under review is welcomed by the Committee. This was after a yearlong of acting incumbents in the positions. We trust that the filling of these positions will bring a positive change in the Directorate Budget and Treasury Office (finance function).

There is no capacity in the Budget & Treasury Office (BTO) to prepare measures to improve to the audit opinion as there is lack of continuous preparation for the year function i.e. proper quarterly interim financial statements which could assist in correcting and / or remedying the prior period errors, misstatements identified, proper mapping of accounts on the accounting software and / or system.

The committee is not satisfied with the Directorate Budget and Treasury Office function during the year under review.

#### Procurement and contract Management

Supply Chain Management is a high-risk area of the municipality and some of the non-compliances are emanating from there.

Increased usage of Supply Chain Management Regulation, Regulation 36 - deviations from normal supply chain management processes when procuring goods and services which were not meeting the requirements of the applicable legislation is a major concern to the committee. This is also impacting negatively on the procurement plan, process and budget process as there is no provision for such. We have noted with concern prolonged deviations due to delays in the normal bid process. There was majority of projects that were implemented outside the approved procurement plan.

Poor records management and contract management in relation to some of the appointed service providers bid files not submitted for external audit purposes. This led to non-compliance with the Section 116(2)(c)(ii) of the MFMA and repeat audit findings.

#### Water & Electricity Losses

The committee is disturbed about the disclosed material water losses and material electricity losses on the annual financial statement which indicates very high amounts. We urge management to develop a realistic implementable plan that will gradually reduce these disclosed material losses.

#### Business Continuity Management

The Performance Audit Committee noted that there was no progress on the development and implementation of the Business Continuity Management and Disaster Recovery Plan. This is of critical importance as this will assist the Municipality's resilience to the risk of disruptions to business processes. This would also protect the Municipality against cyber attacks that causes prolonged delays in business continuity.

#### Combined assurance

The Performance Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were not adequate to address all significant risks facing the municipality.

#### Unauthorised, Irregular, Fruitless and Wasteful Expenditure

The Performance Audit Committee noted that there is no progress in preventing and reducing Unauthorised, Irregular, Fruitless and Wasteful expenditure for the financial year under review.

We have noted investigation and write-off of irregular expenditure that was previously erroneously classified as irregular expenditure. Furthermore, there has not been any investigations of Unauthorised, Fruitless and Wasteful expenditure even though it is increasing.

A realistic, practical reduction plan be developed and implemented speedily to ensure that there is movement in line with Section 32 of the MFMA.

#### Consequence Management

The Performance Audit Committee recommends that an urgent action be implemented on non-compliance with legal prescripts and the resultant irregular expenditure and fruitless and wasteful expenditure. The

culture of no consequence management is what has led to lack of controls and the increase of irregular, fruitless and wasteful expenditure and non-delivery of services to communities.

#### Compliance with the relevant laws and regulations

The Performance 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 fully comply with the enabling laws and regulations as well as its municipality policies and standard operating procedures, especially in the areas of addressing the irregular and fruitless expenditure, quality of annual financial statement and supply chain management (including expenditure management).

The non-approval of the reviewed organisational structure is affecting the effectiveness and efficiency of the service delivery municipal wide.

#### Material Irregularities (MI)

The committee is concerned that the previous Material Irregularities (MI) issued shows little progress in dealing with the 3 MIs related to Rustenburg Rapid Transport (RRT) project. 2 MIs related to fleet management are resolved based as reported by AGSA as the accounting officer had taken all reasonable steps to deal with the matters raised in the 2 MIs. There are no MIs issued against the municipality during the year under review issued. The committee has noted the commitments made by the accounting officer to deal with the matters raised in the MI and progress will be monitored on regular basis.

#### Culture Shift

Culture Shift is a commitment document outlining actions to be performed to assist the municipality to improve the audit opinion. Culture Shift document is monitored by external auditors on quarterly basis with supporting documentation for validation. The PAC raised concerns on the fast tracking of the implementation of culture shift action plan.

#### Evaluation of Annual Financial Statements

Following the review by the Performance Audit Committee of the draft annual financial statements for the year ended 30 June 2025 before and after the audit, the committee is of the view that, annual financial statements can be incorporated into the annual report.

The committee recommend that management to start to deal with the prior period errors urgently with supporting documentation. Furthermore, quarterly financial statements be prepared as part of year-end processes preparation and to be able to present annual financial statements which are free from errors that fairly present the financial performance and position of the municipality.

#### **Evaluation of Annual Performance Report (APR)**

Lack of proper planning of the crafting of the Annual Performance Report, regular and continuous performance assessments are some of the challenges faced during the financial year under review. There has not been an improvement on the audit opinion on the APR for the year under.

The recommendations of internal audit and the committee be implemented adequately regularly. The committee urge management to correct all misstatements when afforded an opportunity by AGSA, as it was the case during the audit of the annual performance report. Furthermore, the development of a remedial action of AGSA material findings on the annual performance report.

#### **Consideration of the Final Audit report (External auditor's report)**

The Performance Audit Committee considered final audit report and concurred with the AGSA's qualified audit opinion. The Performance Audit Committee is concerned that the municipality maintained the qualified audit opinion though there were reduced paragraphs when compared to the previous financial year. The committee recommended that management's corrective action to address the findings of the external auditors should be detailed and include a root cause analysis to the findings. The PAC will monitor these on quarterly basis.

The committee confirms that it has been involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

A handwritten signature in black ink, enclosed in an oval shape. The letters 'ASB' are clearly legible in the center of the oval.

SAB Ngobeni

Chairperson: Performance Audit Committee

Date 18 January 2026

## **REPORT OF THE PERFORMANCE AUDIT COMMITTEE ON RUSTENBURG WATER SERVICES TRUST (RWST) FOR THE YEAR ENDED 30 JUNE 2025**

### **LEGISLATIVE REQUIREMENTS**

The purpose of this report is to communicate to the council the Performance Audit Committee's progress to date in carrying out its oversight responsibilities in terms of Section 166 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with Circular 65 (November 2012) published by the National Treasury for the year ended 30 June 2025.

The MFMA obliges every municipality to establish an independent audit committee, which must advise the municipal council, political office-bearers, accounting officer and management staff of the municipality as well as the accounting officer and the management staff of the municipal entity, on matters relating to internal financial controls and internal audits, risk management, accounting policies, the adequacy, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, the annual Division of Revenue Act (DoRA) and any other applicable legislation, and any other issues referred to it by the RWST.

The Performance Audit Committee is governed by the Charter (formal terms of reference), which are regularly reviewed and approved by the council. The committee is pleased to present its report for the financial year ended 30 June 2025.

### **PERFORMANCE AUDIT COMMITTEE STRUCTURE**

During the year under review Performance Audit Committee had three (3) members were appointed on 3 November 2023, there is currently two (2) vacancies to be filled. The two (2) vacancies did not affect the functioning and fulfilment of the mandate of the committee and its legislative responsibilities.

Attendance of meeting was as follows during the financial year under review (2024/25):

No.	MEMBER	ROLE	MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED
1.	SAB Ngobeni	Chairperson	02 August 2024 (4th Quarter – 2023/24)	6	6
2.	G Mokoana	Member	27 August 2024 (RWST AFS & APR)	6	6
3.	M Matolong	Member	18 November 2024 (1st Quarter -2024/25) 26 November 2024 (RWST- Draft Management Report & Draft Audit Report – 2023/24) 21 February 2025 (2nd Quarter 2024/25) 19 May 2025 (3rd Quarter - 2024/25)	6	6

The members of the audit committee held meetings with the Rustenburg Water Services Trust (RWST) Administration, the internal audit function and the external auditors, collectively and individually, on matters related to governance, internal control and risk in the trust, throughout the reporting period. The committee also held a meeting with the Executive Mayor of the council to report on governance, internal control, risk, performance and financial information and other relevant matters concerning the RWST. The committee presented their reports directly report to Council.

Furthermore, the committee had a session with the Municipal Public Accounts Committee (MPAC) to discuss the audit report 2023/24 as part of the oversight report compilation.

#### **PERFORMANCE AUDIT COMMITTEE RESPONSIBILITY**

The Performance Audit Committee reports that it has complied with its responsibilities arising from Section 121, 166, 165 of the Municipal Finance Management Act, Treasury Regulation 3.1.13, MFMA Circular 65 (November 2012) and reports that it operated in terms of the audit committee charter read in conjunction with the internal audit charter.

**Stakeholder Engagement/s**

The committee has been able to engage with the following stakeholders:

**National Treasury**

**Provincial Treasury**

**North West AGSA**

#### **The Effectiveness of Internal Control**

There was lack of controls in relation to the compilation of the Annual Financial Statements which resulted in resulted in material misstatements being identified by the AGSA. Lack of proper record keeping was not practiced as this delayed the external audit process due to accessibility of complete, relevant and accurate information.

Furthermore, there were no controls implemented for the daily and monthly processing and reconciling of transactions to ensure that all transactions to ensure that all transactions and accounts disclosed in the annual financial statements are accurate and complete.

#### **The quality of monthly and quarterly reports submitted in terms of the MFMA**

The Performance Audit Committee is partially satisfied with the content and quality of monthly and quarterly reports prepared and issued in compliance with the statutory framework. The committee has engaged with management to remedy shortcomings, especially relating to the reports on performance

against predetermined objectives. Furthermore, the committee has recommended that specific process be implemented to ensure that the information reported is both useful and reliable in terms of the applicable reporting framework.

The Performance Audit Committee has reviewed and commented on the entity's annual financial statements and report on performance information and their timely submission to the external auditors by 31 August and consolidated on 30 September 2025.

#### **Internal Audit function**

The accounting officer is obliged, in terms of Section 165 of the MFMA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee. The Performance Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

#### **The Performance 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 trust's systems of internal control.

Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;

#### **Internal audit performed 10 of the 11 planned engagements based on the approved risk-based audit plan.**

The capacity of internal audit function must be enhanced by reviewing the current organisational structure in consideration with the size of the municipality including the municipal entity (Rustenburg Water Services Trust - RWST) and internal controls challenges.

#### **Risk Management function**

The Performance Audit Committee reviewed the RWST's policies on risk management and strategy ((including Information and Communication Technology (ICT) Governance)) and monitored the implementation of risk management policy and strategy and concluded that the RWST's risk management maturity level is improving.

#### **In-Year Management and Monthly / Quarterly Report**

The quarterly review of in-year monitoring systems and reports, the Performance Audit Committee is still not satisfactory with the quality, accuracy, usefulness, reliability, appropriateness, and adequacy of the RWST in-year reporting systems. Lack of improvement of the year-end reporting led to adjustment of the Annual Financial Statements after submission to the AGSA.

#### **Performance Management System**

The committee is emphasising that there is a need for proper action plan for the RWST on the Performance management and reported performance against the predetermined objectives.

The reported performance by the RWST must be agreed to the supporting documentation provided. The formulation of the Key Performance Indicators (KPIs) to be done before the start of the financial year (predetermined – setting target before not during and / or at the end of the financial year) and must be Specific Measurable Achievable Realistic Timebound (SMART). The entity's objectives and indicators be included in the multi-year business plan.

### **Business Continuity Management**

The Performance Audit Committee noted that there was no progress on the development and implementation of the Business Continuity Management and Disaster Recovery Plan. This is of critical importance as this will assist the RWST's resilience to the risk of disruptions to business processes.

### **Combined assurance**

The Performance Audit Committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that these were not adequate to address all significant risks facing the trust.

### **Irregular Expenditure**

The Performance Audit Committee noted that there is no progress in preventing and reducing Irregular expenditure for the financial year under review. Irregular expenditure has increased during the financial year under review. This will continue for as long as bid process for a month-to-month contract has not been finalised.

Furthermore, there has not been any investigations of Irregular expenditure even though it is increasing. A realistic, practical reduction plan be developed and implemented speedily to ensure that there is movement in line with Section 32 of the MFMA.

### **Compliance with the relevant laws and regulations**

The Performance Audit Committee considered reports provided by Administration of the RWST, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the RWST did not fully comply with the enabling laws and regulations as well as its policies and standard operating procedures, especially in the areas of addressing the irregular and fruitless expenditure, quality of annual financial statement and supply chain management (including expenditure management).

We recommend that the appointment of the Board of Trustees be expedited to enable finalisation and approval of policies and strategic documentation by the Trustees.

### **Evaluation of Annual Financial Statements**

Following the review by the Performance Audit Committee of the draft annual financial statements for the year ended 30 June 2025 before and after the audit, the committee is of the view that, annual financial statements can be incorporated into the annual report.

#### **Evaluation of Annual Performance Report (APR)**

Following the review by the Performance Audit Committee of the annual performance report for the year ended 30 June 2025 before and after the audit, the committee is of the view that, draft annual performance report can be incorporated into the annual report.

#### **Consideration of the Final Audit report (External auditor's report)**

The Performance Audit Committee considered final audit report and concurred with the AGSA's unqualified audit opinion. Furthermore, the Performance Audit Committee commends the RWST for obtaining an unqualified audit opinion with findings. The committee recommended that RWST Administration's corrective action to address the findings of the external auditors should be detailed and include a root cause analysis to the findings. The PAC will monitor these on quarterly basis.

The committee confirms that it has been involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

A handwritten signature in black ink, enclosed in an oval shape. The letters 'ASB' are clearly legible in the center of the oval.

SAB Ngobeni

Chairperson of the Performance Audit Committee

Date: 19 January 2026

#### **APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS**

##### **PRIVATE PUBLIC PARTNERSHIP**

No.	Responsible Directorates and Units	Service Provider	Description	Bid/	Commencement Date	Expiry Date	Period	Contract Value.

				Contract No.				
1	Local Economic Development	Tulanie Trust T/A Omaramba Vakansie-Oord En Konferensi e Sentrum & Rustenburg Kloof Resort Cc	Management And Maintenance Agreement	N/A	2004/12/24	2024/12/24	240 months	5% of monthly turnover

#### RUSTENBURG WATER SERVICES TRUST

No	Responsible Directorates and Units	Service Provider	Description	Bid/Contract No.	Commencement Date	Expiry Date	Period	Contract Value
1	Water & Sanitation	Rustenburg Water Services Trust	Bulk Water Supply and Water Treatment	N/A	2003.10.27	Month to month till appointment of a new service provider	30 days	Per rate

APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

Addressed with Section 46 Report paragraph

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST (SENIOR MANAGERS)

NAME	DIRECTORATE	DIVISION	POSITION	PERS	DISCL	1	2	3	4	5	6	7	8	9
				ONAL	OSUR	1	2	3	4	5	6	7	8	9
INFO	OF	Sh	Direc	Inter	Mem	Other	Consul							
FOR	BENE	shar	torshi	est in	ber of									
M	FITS	es	p	Any	Close									
Mae ma MI	Planning and Human Settlement	Planning and Human Settlement	Acting Director: Planning and Human Settlement	-	-	-	-	-	-	-	-	-	-	-

NAME	DIRECTORATE	DIVISION	POSITION	PERS	DISCL	1	2	3	4	5	6	7	8	9
				ONAL	OSUR	1	2	3	4	5	6	7	8	9
INFO	OF	Sh	Direc	Inter	Mem	Other	Consul							
FOR	BENE	ar	torshi	est	ber	Finan	Retain	Spons	Gi					
M	FITS	es	p	in	of	cial	ership	orship	ft					
Jele	Community	Community	Acting Director:											
LG	Development	Development	Community Development	X	X	-	-	-	-	-	-	-	-	-
Mant	Local Economic	Local Economic	Acting Director: Local											
swe	Development	Development	Economic Development	-	-	-	-	-	-	-	-	-	-	-
Khud	Municipal	Office of the MM	Municipal Manager	X	X	-	-	-	-	-	-	-	-	X
uge	Manager													
AR														
Ramo														
thwala	Public Safety	Public Safety	Acting Director: Public											
			Safety	X	X	X	-	-	X	-	-	-	-	X

NAME	DIRECTORATE	DIVISION	POSITION	PERS	DISCL	1	2	3	4	5	6	7	8	9
				ONAL	OSUR	1	2	3	4	5	6	7	8	9
				INFO	OF	Sh	Direc	Inter	Mem	Other	Consul			
				FOR	BENE	ar	torshi	est in	ber of	Finan	Retain	Spons	Gi	Interes
				M	FITS	es	p	in	Close	cial	ership	orship	ft	t in
Mahapela P	Corporate Support Services	Corporate Support Services	Acting Director: Corporate Support Services	X	X	-	-	-	-	-	-	-	-	-
Mdhluli V	Budget and Treasury	Budget and Treasury	Chief Financial Officer	X	X	X	X	-	-	-	-	-	-	X
Mahlangu G	Roads and Transport	Roads and Transport	Acting Director: Roads and Transport	-	-	-	-	-	-	-	-	-	-	-
Ndzukula W	Technical and Infrastructure Services	Technical and Infrastructure Services	Acting Director: Technical and Infrastructure Services	-	-	-	-	--	-	--	-	-	--	-

APPENDIX K: REVENUE COLLECTION PERFORMANCE

REVENUE SOURCE	30/06/2025	30/06/2024	30/06/2023
Sale of bus tickets	25 439	11 342	4 166
Service Charges	3 143 070	2 872 000	4 277 139
Rental of Facilities and Equipment	27 169	11 720	9 596
Interest received - trading	629 116	673 321	481 957
Agency Services	29 521	17 731	18 100
Licences and Permits	16 493	14 463	6 707
Other Income	29 064	20 740	20 838
Interest received - other	51 090	53 938	35 886
Property Rates	566 329	520 589	492 850
Government Grants and Subsidies Received	2 011 885	1 964 528	1 596 572
Public contributions and donations	137 307	69 424	154 247
Fines, Penalties and Forfeits	25 231	15 927	19 312
Gains on disposal of asset	-	-	-
Fair value adjustments	-	-	-
Actuarial gains	-	5 763	35 957
<b>TOTAL REVENUE (INCLUDING GAINS &amp; FAIR VALUE ADJUSTMENT)</b>	<b>6 691 714</b>	<b>6 251 486</b>	<b>7 149 161</b>
<b>REVENUE COLLECTION</b>	<b>5 188 726</b>	<b>5 033 423</b>	<b>5 911 152</b>
<b>PERFORMANCE FOR REVENUE COLLECTION PER SOURCE</b>	<b>78%</b>	<b>81%</b>	<b>83%</b>

APPENDIX L: CONDITIONAL GRANTS 2024/2025 FINANCIAL YEAR

Funding Source	Sum of Full Year Budget	Sum of Year to Date Actual	% Spent
CATA	455 000	405 533	89%
CRR	238 961 486	214 268 082	90%
FMG	100 000	100 000	100%
INEP	20 971 000	18 235 653	87%
MIG	302 310 895	216 555 956	72%
NDPG	14 756 242	5 734 732	39%
PTNG	33 304 817	18 490 064	56%
WSIG	45 000 000	29 059 328	65%
Grand Total	655 859 440	502 849 347	77%

APPENDIX N, M & O : CAPITAL PROGRAMME BY PROJECT CURRENT YEAR AND BY WARD

As per AFS

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

Type of Service	Backlogs
Water	None
Sanitation	None
Electricity	None
Waste Removal	None

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

None.

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

None
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APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71

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This is to verify that all section 71 reports have met the pre-set timeframes which according to section 28 of the Municipal Budget and Regulations stipulate that all Monthly reports have to be sent to the designated organ of the state before 10 working days have elapsed.

Number of Section 71 Reports submitted	Reasons for non-submission	Corrective Measures
12	Late submission due to financial system challenges	Procurement of a new financial system

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

NATIONAL OUTCOME	ROLE OF MUNICIPALITY	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	PROGRESS REGISTERED
Decent employment through inclusive economic growth	Create an enabling environment for investment by streamlining planning application processes;	Number of catalytic projects facilitated by 30 June 2025	1	1	Land for construction of a school of mining was approved by Council
	Improve procurement systems to eliminate corruption and ensure value for money;	KPI to be developed	-	-	-
	c) Utilise community structures to provide services.	Percentage of the municipality's allocated budget spent on indigent relief for free Rs by June 2025	100%	90.75	Indigent registration needs to be intensified.
A skilled and capable workforce to support inclusive growth	Link municipal procurement to skills development initiatives	Percentage of budget spent on training of personnel by June 2025	95%	17.3%	Only 17.3% of the budget was spent
An efficient, competitive and responsive	Maintain and expand water purification works and	Number of sewer network projects implemented by June 2025	1	1	Achieved

NATIONAL OUTCOME	ROLE OF MUNICIPALITY	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	PROGRESS REGISTERED
economic infrastructure network	wastewater treatment works in line with growing demand.	Number of water projects implemented by June 2025	1	1	Achieved
Vibrant, equitable and sustainable rural communities and food security	Promote home production to enhance food security;	Green Economy Project	1	1	A fresh-produce market was achieved during the financial year under review.
Sustainable human settlements and improved quality of household life	Cities must prepare to be accredited for the housing function;	KPI to be developed upon receipt of accreditation.	-	-	--
	Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements;	Number of the Spatial Development Framework reviewed and tabled at council by June 2025	1 x Reviewed Spatial Development Framework (SDF) by June 2025	Draft Spatial Development Framework (SDF)	The Draft SDF was approved for the 2024-2025 financial year.
	Participate in the identification of suitable land for social housing.	Number of privately own portions of land acquired for human settlement by 30 June 2025	2	3	Not achieved as land was privately owned.
	Ensure capital budgets are appropriately prioritised to	Percentage expenditure on Capital Budget 30 June 2025	95%	77%	Delay in implementing mSCOA system due to system challenges.

NATIONAL OUTCOME	ROLE OF MUNICIPALITY	KEY PERFORMANCE INDICATOR	TARGET	ACTUAL	PROGRESS REGISTERED
	maintain existing services and extend services.				Procurement of a new system by 2026.
A responsive and accountable, effective and efficient local government system	Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.	Number of Section 56 managers assessed on competency requirements by June 2025	8	8	CCRs to be assessed after proper consultation with national and provincial stakeholders.
Protection and enhancement of environmental assets and natural resources	Ensure effective maintenance and rehabilitation of infrastructure;	Percentage of budget spent on maintenance of infrastructure by 30 June 2025	8%	0%	-