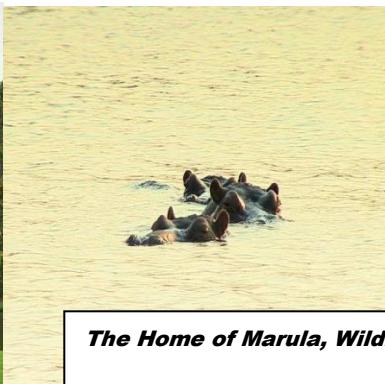


## BA-PHALABORWA LOCAL MUNICIPALITY



### 2025/2026 MID-YEAR PERFORMANCE REPORT (1 JULY – 31 DECEMBER 2025)



***The Home of Marula, Wildlife Tourism and Mining***

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## **PART 1: 2025/26 MID-YEAR SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) PERFORMANCE**

### **1. Introduction**

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The purpose of this report is to present the mid-year performance assessment of the municipality against the predetermined objectives and targets as set out in the Service Delivery and Budget Implementation Plan (SDBIP) for the 2025/26 financial year. The report is prepared in compliance with the requirements of Section 72(1) of the Local Government: Municipal Finance Management Act (Act 56 of 2003).

### **2. Legislation**

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In terms of Section 72(1) of the Local Government: Municipal Finance Management Act (Act 56 of 2003), the accounting officer of a Municipality must, by 25 January of each year, assess the performance of the Municipality during the first half of the financial year and submit a report on such assessment to the Mayor of the Municipality, the National Treasury and the relevant Provincial Treasury.

### **3. Strategic Intent**

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#### **Vision:**

***“Provision of quality services for community Well-being, Tourism and Mining development”***

#### **Mission:**

***“To provide quality infrastructure and affordable services, promote sustainable economic growth, financial viability, sound administration and accountable governance”***

#### **Values**

- Efficiency and effectiveness;
- Accountability;
- Innovation and creativity;
- Professionalism and hospitality;
- Transparency and fairness;
- Continuous learning and
- Conversation conscious

#### **Strategic objectives:**

- Promotion of local economy
- Provision of sustainable integrated infrastructure land services
- Sustain the environment

- Improve financial viability
- Good corporate governance and public participation and
- Attract, develop and retain best human capital

**Slogan:**

***“The home of Marula, Wildlife Tourism and Mining”***

#### **4. Accounting Officer's Assessment of Performance**

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The municipality utilised the top-layer Service Delivery and Budget Implementation Plan (SDBIP), as approved, for implementation during the 2025/26 financial year. The SDBIP serves as a key performance monitoring tool for the implementation of the Integrated Development Plan (IDP) and the Budget. Performance targets reflected in the SDBIP are aligned with the strategic objectives of the IDP.

The Administration component is responsible for the implementation of the SDBIP, while the Political component provides oversight. This oversight is exercised through regular performance reporting to Council.

The table below illustrates the performance of each key Performance Area of Ba-Phalaborwa Municipality against the National Key Performance Areas (NKPAs). The 2025/2026 Service Delivery and Budget Implementation Plan on which this Performance Report is based, comprises 86 key performance indicators with its performance targets. As compared to the performance for the first quarter of 2025/26, the total achievement was 77%, while the 2025/26 mid-year performance accounts to 75%.

### 2025/26 First quarter analysis

2025/26 First Quarter performance Analysis					
Key Performance Area	First Quarter Target	Target Achieved	Target not Achieved	Target not applicable	% Achievement
Spatial Rationale	1	1	0	0	100%
Basic Services Delivery	12	9	3	0	75%
Municipal Financial Viability	9	5	4	0	55%
Local Economic Development	4	4	0	0	100%
Municipal Transformation and Institutional Development	3	3	0	0	100%
Good Governance and Public Participation	30	22	6	2	78%
<b>Total</b>	<b>59</b>	<b>44</b>	<b>13</b>	<b>2</b>	<b>77%</b>

## Comparison of the previous year 2024/25 Mid-year performance and current year 2025/26 Mid-year performance

2024/25 Mid-year performance Analysis						2025/26 Mid-year Performance Analysis					
Key Performance Area	Mid-Year Quarter Target	Target Achieved	Target not Achieved	Target not applicable	% Achievement	Key Performance Area	Mid-Year Quarter Target	Target Achieved	Target not achieved	Target not applicable	% Achievement
Spatial Rationale	1	1	0	0	100%	Spatial Rationale	1	0	1	0	0%
Basic Services Delivery	12	8	4	0	67%	Basic Services Delivery	13	7	6	0	53%
Municipal Financial Viability	8	7	1	0	87%	Municipal Financial Viability	9	7	2	0	78%
Local Economic Development	5	5	0	0	100%	Local Economic Development	5	5	0	0	100%
Municipal Transformation and Institutional Development	5	4	1	0	80%	Municipal Transformation and Institutional Development	4	3	1	0	75%
Good Governance and Public Participation	29	22	6	1	82%	Good Governance and Public Participation	31	23	6	2	76%
<b>Total</b>	<b>60</b>	<b>47</b>	<b>12</b>	<b>1</b>	<b>80%</b>	<b>Total</b>	<b>63</b>	<b>45</b>	<b>16</b>	<b>2</b>	<b>74%</b>

For the period under review, the municipality had six Key Performance Areas (KPAs) with a total of 63 Key Performance Indicators (KPIs) for the 2025/26 mid-year period. The municipality achieved good performance on 45 KPIs, representing 74%, while poor performance was recorded on 16 KPIs, representing 26%. Two KPIs were recorded as not applicable.

The two indicators recorded as not applicable relate to the absence of reported cases on fraud and corruption and the development of the Auditor-General (AG) Action Plan.

Poor performance was recorded in the following KPIs:

1. Turnaround time of complete land use & development applications submitted to Mopani Planning Tribunal
2. Reduction of electricity losses
3. Expenditure on electricity capital funding spent
4. Number of indigent households with access to electricity
5. Number of kilometres of roads rehabilitated
6. Expenditure on roads and stormwater capital funding spent
7. Percentage of improvement in revenue collection
8. Percentage improvement in revenue collection
9. Percentage of debt collection
10. Number of Individual Performance Assessments for Section 54 and 56 Managers (2024/25 annual)
11. Percentage implementation of MPAC recommendations
12. Implementation of the Internal Audit Action Plan
13. Number of Audit Committee reports presented to Council
14. Implementation of Audit Committee resolutions
15. Community satisfaction with public services
16. Number of Local Labour Forum meetings convened

**The performance scorecard outlines the challenges encountered and the corrective interventions identified to address the areas of poor performance.**

## 5. 2025/25 Mid-Year SDBIP Performance

### 5.1 Mid-Year performance for revenue for each source

Sources of Revenue	2025/26 Mid-Year Projections of revenue for each source					Evidence Required	
	R'000						
	Mid-year target (1 Jul – 31 Dec 25)	Mid-year Actual Performance	Mid-year Performance Variance	Challenges	Corrective measures/ Interventions		
<b>Exchange Revenue</b>							
Service charges – electricity	96 979	66 363	(30 615)	Illegal connection and theft.	Continuous investigation and audit electricity meters to reduce theft.	Finance report	
Service Charges – Refuse	9 947	10 632	685	Target met	None	Finance report	
Sale of Goods and Rendering of Services	2 997	3 081	84	Target met	None	Finance report	
Agency services	5 966	488	(5 478)	for MDM captured at year end	To capture the transactions on monthly basis	Finance report	
Interest earned from Receivables	8 384	5 715	(2 669)	Culture of non-payment of municipal services especially in the townships & Interest reversals in the form of settlement discount.	Debt collector has been sourced to assist with long outstanding debts in township areas.	Finance report	
Interest earned from Current and Non-Current Assets	2 675	1 551	(1 125)	Target met	None	Finance report	
Rental from fixed assets	175	819	644	Target met	None	Finance report	
Operational Revenue	3 716	349	(3 366)	Culture of non-payment of municipal services especially in the townships	Debt collector has been sourced to assist with long outstanding debts in townships	Finance report	
<b>Non- Exchange Revenue</b>						Finance report	
Property Rates	107 089	104 992	(2 097)	Rebates offered to customers resulted in the target not being met	Consider the rebates during budget planning	Finance report	
Fines, Penalties and Forfeits	653	113	(540)	Traffic fines revenue was low due to data not available for officers, not enough vehicle and shortage of staff	Allocation of budget	Finance report	
Licenses and permits	2 926	9 862	6 936	Target met	None	Finance report	
Transfers recognised - operational	112 017	167 499	55 483	Target met	None	Finance report	
Interest	21 621	19 486	(2 135)	Culture of non-payment of municipal services especially in the townships & Interest reversals in the form of settlement discount.	Debt collector has been sourced to assist with long outstanding debts in township areas.	Finance report	
Transfers recognised - capital	23 542	17 895	(5 647)	Contractors for MIG were appointed during second quarter	Contractors already appointed and technical services to ensure that in future that they fast track the process of advertising on time	Finance report	
<b>Total Revenue by Source</b>	<b>398 685</b>	<b>408 846</b>	<b>10 161</b>			Finance report	

## 5.2 Mid-Year performance for Expenditure

Sources of Revenue	2025/26 Mid-Year Projections of expenditure for each source					Evidence Required	
	R'000						
	Mid-year target (1 Jul – 31 Dec 25)	Mid-year Actual Performance	Mid-year Performance Variance	Challenges	Corrective measures/ Interventions		
Employee Related Costs	111 922	94 220	(17 703)	Low expenditure on employee costs due to other vacant positions	Filling of critical positions that are budgeted for	Finance report	
Remuneration of councillors	9 598	8 400	(1 198)	The variance not material	None	Finance report	
Bulk purchases - electricity	75 406	66 590	(8 816)	Low expenditure on bulk electricity purchased	Continuously monitor cost containment measures.	Finance report	
Inventory consumed	13 156	13 108	(48)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report	
Debt impairment	55 071	0	(55 071)	The calculations are normally done normally at year end	Journal to be processed at year end	Finance report	
Depreciation and amortisation	43 610	41 417	(2 193)	The variance not material	None	Finance report	
Interest	10 361	0	(10 361)	The calculations are normally done normally at year end	Journal to be processed at year end	Finance report	
Contracted services	34 321	21 094	(13 227)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report	
Transfers and subsidies	261	0	(261)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report	
Irrecoverable debts written off	0	31 587	31 587	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.		
Operational costs	43 866	39 452	(4 415)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report	
<b>Total expenditure by Source</b>	<b>397 573</b>	<b>315 867</b>	<b>(81 705)</b>			Finance report	

## 1.3 Mid-year Projections of Expenditure Operating, Capital and Revenue by Vote

Projections and performance of Revenue and Expenditure by Vote: (Operating) Mid-year

Expenditure and Revenue by Vote	Mid-year target (1 Jul – 31 Dec 25) OPEX	Mid-year Actual Performance	Mid-year Performance Variance	Remarks/Challenges	Corrective measures	Evidence Required
Executive and Council	38 697	31 935	(6 762)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Budget and Treasury and Administration	135 985	110 055	(25 930)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Community and Social Services	23 629	18 292	(5 338)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Public Safety	12 194	10 290	(1 904)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Economic and Environmental Services	16 208	10 500	(5 708)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Road Transport	53 168	44 894	(8 275)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Electricity	112 896	88 300	(24 596)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
Waste Management	4 796	1 602	(3 194)	Low Expenditure affected by non-spending on other line items	Continuously monitor cost containment measures.	Finance report
<b>Total by Vote</b>	<b>397 573</b>	<b>315 867</b>	<b>(81 705)</b>			Finance report

**Projections and performance of Revenue and Expenditure by Vote: (Revenue) Mid-year**

<b>Expenditure and Revenue by Vote</b>	<b>Mid-year target (1 Jul – 31 Dec 25) Revenue</b>	<b>Mid-year Actual Performance</b>	<b>Mid-year Performance Variance</b>	<b>Remarks/Challenges</b>	<b>Corrective measures</b>	<b>Evidence Required</b>
Executive and council	0	0	0	None	None	Finance report
Budget and Treasury and Administration	246 625	291 517	44 892	Target met	None	Finance report
Community and Social Services	164	171	7	Target met	None	Finance report
Public Safety	7 056	9 862	2 806	Target met	None	Finance report
Planning and development	151	123	(28)	Variance not material	None	Finance report
Road Transport	26 138	20 779	(5 359)	Target not met due to additional disaster grant received in the month of September and 3 projects for MIG still under Evaluation.	Fast-tracking of the construction of the new projects.	Finance report
Electricity	102 837	70 095	(32 742)	Contractor for substation was appointed in the month of September and electrification of Majeje villages went for re-advert. Low collection on electricity due to illegal connection and theft.	Fast-tracking of the construction of the new projects.	Finance report
Waste Management	15 714	16 299	585	Target met	None	Finance report
<b>Total by Vote</b>	<b>398 684</b>	<b>408 845</b>	<b>10 161</b>			

**Projections and performance of Revenue and Expenditure by Vote: (Capex) Mid-year**

<b>Expenditure and Revenue by Vote</b>	<b>Mid-year target (1 Jul – 31 Dec 25) Capex</b>	<b>Mid-year Actual Performance</b>	<b>Mid-year Performance Variance</b>	<b>Remarks/Challenges</b>	<b>Corrective measures</b>	<b>Evidence Required</b>
Executive and council	0	0	0	None	None	Finance report
Budget and Treasury and Administration	739	4	(735)	Slow spending on Office Furniture project	To improve on cash collection in order to have reserves to fund internally funded projects	Finance report
Community and Social Services	4 522	3 341	(1 181)	Slow spending on Namakgale Stadium	To improve on cash collection in order to have reserves to fund internally funded projects	Finance report
Public Safety	0	0	0	None	None	Finance report
Planning and development	0	0	0	None	None	Finance report
Road Transport	25 050	20 275	(4 775)	Delay in appointing projects for MIG and Disaster Relief	To fast track the process of advertising on time and ensure that the committee sits on time	Finance report
Electricity	1 958	3 059	1 101	Target met	None	Finance report
Waste Management	1 739	0	(1 739)	The project is under evaluation stage	To fast track the process of advertising on time and ensure that the committee sits on time	Finance report
<b>Total by Vote</b>	<b>34 007</b>	<b>26 679</b>	<b>(7 329)</b>			<b>Finance report</b>

6. Detailed institutional performance results for 2025/26 mid-year per key performance area

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<b><i>Under-Performance</i></b>	<b>0 - 99%</b>
<b>Good Performance</b>	<b>100%</b>
<b><i>Not applicable</i></b>	

# KPA 1: Spatial Rationale

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections				Evidence Required	
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges		
<b>1.1 Spatial Planning</b>													
1.1.2	Governance and Administration	Sustain the environment	Turnaround time of complete land use & development applications submitted to Mopani Planning Tribunal by 30/06/2026.	Senior Manager Planning & Development	12 applications received and submitted to Mopani Planning Tribunal within 90 days of receipt	Within 90 days of receipt	OPEX	Within 90 days of receipt	7 applications received and 4 submitted to Mopani Planning Tribunal within 90 days of receipt	-3	The municipality received objections for the 3 applications	The submission period for applications with objections to Mopani Planning Tribunal should be extended by 58 days since the SPLUMA by-law allows the municipality time to complete its internal procedures before submission	Date of receipt of complete application and Proof of Submission register to Mopani Planning Tribunal

# **KPA 2: Basic Service Delivery**

KPA 2: SERVICE DELIVERY													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
<b>2.1 Electricity</b>													
2.1.1	Technical infrastructure	Provision of sustainable integrated infrastructure and service	% on reduction of electricity losses each quarter by 30/06/2026	Senior Manager Technical Services	-2.37%	10%	OPEX	4%	-11.44%	-15.44%	Increased losses	Implementation of reduction of electricity losses Conduct meter audit Online smart meters	BPM billing to consumers, Eskom bill and distribution loss
2.1.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on electricity capital funding spent per quarter by 30/06/2026	Senior Manager Technical Services	R15 792 642.00	R5 855 000	INEP	R2 342 000	R323 347.5	R2 018 652.5	The tender was advertised and there was non-responsive	Acceleration of project implementation	Payment Certificates and Expenditure Reports
2.1.3	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of HH with access to electricity in Municipal Licensed area (Phalaborwa Town) by 30/06/2026	Senior Manager Technical Services	3060	3060	OPEX	3060	3559	+99	None	None	Household, Number of HH list on conventional and pre-paid.
2.1.4	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Number of indigent HH receiving free basic electricity by 30/06/2026	Chief Financial Officer	1 008	1 008	OPEX	1 008	926	-82	Customers performing illegal connection	Continuous engagements with Eskom Engagement with ward councillors and ward committee members.	Indigent Register and Proof of payment to ESKOM
<b>2.2 Roads &amp; Storm Water</b>													
2.2.1	Technical infrastructure	Provision of sustainable integrated infrastructure	Number of kilometres of gravel roads rehabilitated	Senior Manager Technical Services	New	5.9km	CAPEX	Construction of the following deliverables	Honeyville Roadbed = 94.46% Selected	Honeyville Roadbed = 5.54% Selected	Honeyville The project is has improved	Honeyville Intervention meetings were	Completion Certificate

KPA 2: SERVICE DELIVERY															
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Corrective Measures/Interventions	Evidence Required	
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges				
		Water and services	(Namakgale, Lulekani & Phalaborwa) by 30/06/2026.					-site establishment -box cutting -roadbed preparation - Roadbed -Selected layer construction	layer construction = 87.17% <b>Kanana</b>	layer construction = 12.83% <b>Kanana</b>	Roadbed = 58% Selected layer construction = 56.5%	Roadbed = 42% Selected layer construction = 43.5%	performance however it is still behind schedule. This is caused by slow progress by the contractor <b>Kanana</b> The project is behind schedule and there is minimal progress on site. This is caused by slow progress by the contractor	held to assist in improving progress. The contractor needs to do multiple tasks and add resources to cover for lost time <b>Kanana</b> Contract management is being applied on the project. The contractor needs to do multiple tasks and add resources to cover for lost time	
2.2.2	Technical infrastructure	Provision of sustainable integrated infrastructure and service	Expenditure on roads and storm water capital funding spent per quarter by 30/06/2026	Senior Manager Technical Services	R25 931 468.05	R34 704 325.24	MIG	R17 750 000.00	R12 989 888.42	R4 760 111.58	Poor performance by the contractors	Acceleration of works by the contractors	Payment Certificates and Expenditure Reports		
2.3 Parks and Cemetery															
2.3.1	Protect Environment and Community Well being	Sustain the Environment	Number of parks maintained per month by 30/06/2026 (Wildey,	Senior Manager Community Services	9	9	OPEX	9	9	0	None	None	Monthly Maintenance plan & Maintenance reports with pictures		

KPA 2: SERVICE DELIVERY													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
			Phalaborwa Fourways, Sealane,Buffalo .King Fisher, Impala Park ,Namakgale Entrance ,Defryns, Gravellote Park)										
2.3.2	Protect Environment and Community Well being	Sustain the Environment	Number of cemeteries maintained per month by 30/06/2026. (Phalaborwa, Lulekani, Namakgale and Gravellote)	Senior Manager Community Services	4	4	OPEX	4	4	0	None	None	Monthly Maintenance plan & Maintenance reports with pictures
2.4.1	Protect Environment and Community Well being	Sustain the Environment	Number of Monthly Maintenance of Phalaborwa landfill site by 30/06/2026	Senior Manager Community Services	4	12	OPEX	6	6	0	None	None	Monthly maintenance reports as per Service Level Agreement & Landfill site Maintenance Checklists
2.4.2	Protect Environment and Community Well being	Sustain the Environment	Number of Urban Households & Businesses with access to basic waste removal services (Phalaborwa town, Gravellote, Namakgale and Lulekani) by 30/06/2026	Senior Manager Community Services	13750	13265	OPEX	13265	15552	+2287	A recount of businesses and households was conducted, resulting in an increase in the number of households.	None	Collection Schedule & Confirmation of waste collection by Ward Councillors

KPA 2: SERVICE DELIVERY														
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections				Remarks and challenges	Corrective Measures/Interventions	Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance				
2.4.3	Protect Environment and Community Well being	Sustain the Environment	Number of rural villages with access to basic waste removal services by 30/06/2026 (Mashishimale & Makhushane)	Senior Manager Community Services	1	2	OPEX	2	1	-1		There are insufficient trucks	Extra skip bins have been placed in the ward to ensure we continue with the services.	Collection Schedule & Confirmation of waste collection by Ward Councillors
2.4.4	Protect Environment and Community Well being	Sustain the Environment	Number of indigent Households receiving free basic waste removal service by 30/06/2026	Senior Manager Community Services	309	516	OPEX	516	514	-2		Two households were counted twice, which resulted in not achieving 100% target.	None	List of Indigent Households receiving free basic waste removal

# **KPA 3: Municipal Financial Viability and Management**

KPA 3: Municipal Financial Viability and Management													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
<b>3.1 Financial Management</b>													
3.1.1	Good governance and administration	Good corporate governance and public participation	Number of approved budget planning schedule by 31/08/2025	Chief Financial Officer	1	1	OPEX	1	1	0	None	None	approved budget planning schedule and Council resolution
3.1.5	Good governance and administration	Good corporate governance and public participation	Number of Supply Chain structures / Committees' members appointed by 08/07/2025	Municipal Manager	3	3	OPEX	3 (Specification, Evaluation and Adjudication)	3	0	None	None	Appointment letters of bid committee's members
3.1.6	Governance and administration	Improve financial viability	Number of movable asset verifications conducted by 30/06/2026	Chief Financial Officer	4	4	OPEX	2	2	0	None	None	Quarterly assets verifications reports
3.1.7	Governance and administration	Improve financial viability	Number of strings uploaded using the LG Portal within 10 working days at the end of each month by 30/06/2026	Chief Financial Officer	12	12	OPEX	6	6	0	The M01 was resubmitted on the 14 August. However, the Treasury portal database was updated on the 15 August.	None	Monthly strings Proof of submission within 10 working days.
3.1.8	Governance and administration	Improve financial viability	% of improvement in revenue collection quarterly (Improvement from 65% to 80% by 30/06/2026 budget year)	Chief Financial Officer	76%	80%	OPEX	70%	1% Amount Billed R 160 208 935.87 Amount Collected R 113 524 746.78	69% Mid-Year 2024/25 FY Prior Year 70% Mid-year 2025/26 FY 71%	Illegal Connection and Culture of Non-Payment	Meter Audit	% of Revenue Collected per Quarter (Billing vs Collection)

KPA 3: Municipal Financial Viability and Management													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
3.1.9	Governance and administration	Improve financial viability	% of Debt collected by 30/06/2026	Chief Financial Officer	22%	15%	OPEX	7.5%	5%	-2.5%	Illegal Connection and Culture of Non-Payment	Study of Electrical Infrastructure by KBB  Installation of Locks at the Minisub  Installation of Smart Meters for LPU  To Conduct Cost of Supply Study for Electricity Meter Audit	Quarterly reports on debt collection
3.1.11	Good governance and administration	Good corporate governance and public participation	Number of billing reports done by 30/06/2026	Chief Financial Officer	12	OPEX	6	6	0	None	None	Monthly Billing Reports	
3.1.12	Good governance and administration	Improve financial viability	Amount of expenditure spent on MIG by 30/06/2026	Senior Manager Technical Services	R35 156 000.00	R39 035 000	MIG	R15 614 000	R18 219 240.08	+R2 605 240.08	None	None	MIG monitoring report/payment certificates/Grant reconciliation
3.1.13	Good governance and administration	Good corporate governance and public participation	Submission of 2024/25 AFS to AG by 31/08/2025	Municipal Manager	1	1	OPEX	1	1	0	None	None	Submission letters, copy of final AFS to AG

# **KPA 4: LOCAL ECONOMIC DEVELOPMENT**

PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
<b>4.1 Job creation</b>													
4.1.1	Economic	Promotion of local economy	Number of jobs created through capital Projects by 30/06/2026 (Temporary jobs)	Senior Manager Technical Services	70	70	CAPEX	30	145	+115	None	None	Certified ID copies, payment registers and employment contracts
4.1.2	Economic	Promotion of local economy	Number of full-time equivalent jobs created through EPWP by 30/09/2025	Senior Manager Technical Services	63	63	OPEX	63	72	+9	None	None	Certified ID copies, payment registers and employment contracts
4.1.3	Economic	Promotion of local economy	Number of LED Forums meetings held by 30/06/2026.	Senior Manager Planning and Development	4	4	OPEX	2	2	0	None	None	Invitations, Attendance register and minutes
<b>4.2 Enterprise Support</b>													
4.2.1	Economic	Promotion of local economy	Number of SMMEs supported through the municipal SCM (procurement) by 30/06/2026	Chief Financial Officer	381	400	OPEX & CAPITAL	100	291	+191	291 SMMEs were supported through Supply Chain Management	None	System generated Expenditure report with SMMEs supported.
4.2.2	Economic	Promotion of local economy	Number of activities promoting and marketing Baphalaborwa Municipality as a tourist destination by 30/06/2026	Senior Manager Planning and Development	4	5 (Tourism month activities, Marula Activities, World Travel Market, Rand Show, and Africa's Travel Indaba)	OPEX	1 Tourism month activities	1	0	None	None	Invitations, Attendance register, reports

# **KPA 5: Municipal Transformation and Institutional Development**

KPA 5: Municipal Transformation and Institutional Development													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections					Evidence Required
<b>5.3 Skills Development</b>													
5.3.2	Good governance and administration	Attract, develop, and retain best human capital	Amount of Municipal budget allocated and spent on work skills development per quarter 30/06/2026 (1% legislation)	Senior Manager Corporate Services	R1 255 545.09	R1 652 174.00	OPEX	R826 087.00	R872 734,59	+R7197, 06	Discrepancies in final expenditure are due to vat consideration that are dealt with in the Budget and Treasury Office	None	Expenditure reports; implementation reports
<b>5.4 Performance Management System</b>													
5.4.1	Good governance and administration	Good corporate governance and public participation	Number of S54&56 signing of Annual Performance Agreements by 30/07/2025 (One month after the start of each financial year)	Municipal Manager	6	6	OPEX	6	6	0	None	None	Copies of signed Performance Agreements with dates complying the legislated timeline& submission letters to COGHSTA.
5.4.2	Good governance and administration	Good corporate governance and public participation	Number of Individual Performance Assessments of s54&56 Managers conducted to review their performance by 30/06/2026( Mid – year/Annual)	Municipal Manager	2	2	OPEX	1 (Annual Assessment)	0	-1	Assessments were not conducted due to the reason that AG was still busy with the Audit of 2024-25 financial year.	Assessments will be conducted in the 3 <sup>rd</sup> quarter after the presentation of final audit report by AG.	Approved Schedule of Individual Performance Assessments, Assessments records, attendance registers and Scorecards and reports
<b>5.5 OHS</b>													
5.5.1	Good governance	Good corporate	Number of schedule	Senior Manager Corporate	4	4	OPEX	2	2	0	None	None	Quarterly Reports, minutes,

KPA 5: Municipal Transformation and Institutional Development												
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target 30/06/26	Budget	2025/26 Quarterly Projections				
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions
and administration	governance and public participation	Institutional OHS meetings held by 30/06/2026	Services									and attendance registers

# **KPA 6: Good Governance & Public Participation**

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
<b>6.1 Council and Executive Management</b>													
6.1.1	Good governance and administration	Good corporate governance and public participation	Number of scheduled Council meetings held by 30/06/2026	Senior Manager Corporate Services	12	8	OPEX	2	11	+9	Over performed due to Special meetings	Unsigned minutes -waiting for January 2026 meeting to approve them	Minutes of council meetings, attendance registers
6.1.2	Good governance and administration	Good corporate governance and public participation	Number of scheduled Exco meetings held by 30/06/2026	Senior Manager Corporate Services	14	8	OPEX	2	11	+9	Over performed due to Special meetings	Unsigned minutes -waiting for January 2026 meeting to approve them	Minutes of EXCO meetings, attendance registers
6.1.3	Good governance and administration	Good corporate governance and public participation	Number of scheduled MPAC meetings held as per legislation by 30/06/2026	Municipal Manager	8	4	OPEX	2	4	+2	2 meetings were held as per schedule and 2 were held as special meetings	None	Council Approved MPAC schedule of meetings & Attendance registers
6.1.4	Good governance and administration	Good corporate governance and public participation	% of MPAC quarterly Recommendation approved by Council implemented by 30/06/2026	Municipal Manager	100%	100%	OPEX	100%	67%	33%	Some of the documents were taken by the hawks therefore we were unable to probe.	Request for documents on time from management and make follow ups for probing	Council Resolutions on MPAC Recommendations and Progress Report on the implementation of the Council Resolutions
6.1.5	Good governance and administration	Good corporate governance and public participation	Number of scheduled senior management meetings held by 30/06/2026	Municipal Manager	16	11	OPEX	6	11	+5	6 Ordinary meetings and 5 special meetings held.	None	Minutes of Senior Management meetings, attendance registers
<b>6.2 Public Participation and Ward Committees</b>													
6.2.1	Good governance and	Good corporate governance	Number of IDP REP Forum meetings held by	Municipal Manager	3	4	OPEX	2	2	0	None	None	Attendance registers, agendas, invitations

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
	administration	and public participation	30/06/2026.										
6.2.2	Good governance and administration	Good corporate governance and public participation	Number of IDP Steering Committee meetings held by 30/06/2026	Municipal Manager	3	4	OPEX	2	2	0	None	None	Attendance registers, agendas, invitations
6.2.3	Good governance and administration	Good corporate governance and public participation	Number of scheduled and convened ward Committee meetings per ward by 30/06/2026. (Functionality of ward committees)	Municipal Manager	228	209	OPEX	95	114	+19	None.	None	Minutes, attendance register, and Consolidated Ward Committee Report
6.2.4	Good governance and administration	Good corporate governance and public participation	Number of quarterly Mayoral Imbizos and public participation by 30/06/2025	Municipal Manager	4	4	OPEX	2	2	0	None	None	Public notices, attendance register and Community Inputs report.
6.2.5	Good governance and administration	Good corporate governance and public participation	% of complains resolved by 30/06/2026	Senior Manager Technical Services	74%	75%	OPEX	75%	79.14%	+4.14%	Over performance due to closing of backlogs during standby	None	Complains Register.
6.3 Corporate Governance													
6.3.1	Good governance and administration	Good corporate governance and public participation	Number of Audit Committee meetings held by 30/06/2026	Municipal Manager	12	10	OPEX	5	6	+1	1 Special meeting was held to review the Draft AFS after on the 31 August 2025.	None	Copies of approved minutes, attendance registers
6.3.3	Good governance and	Good corporate governance	Number of Audit Steering Committee	Municipal Manager	30	36	OPEX	20	53	+33	40 Management Audit Steering Committee	None	Approved minutes and attendance registers. (Exco

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
	administration	and public participation	meetings held by 30/06/2026								meetings held. 13 Exco Audit steering committee meetings held. The MM requested daily Management Audit Steering Committee meetings which resulted in more meetings.		and Management)
6.3.5	Good governance and administration	Good corporate governance and public participation	% Implementation of IA Plan by 30/06/2026	Chief Audit Executive	100%	100%	OPEX	50%	52%	+2%	Due to demand, Follow-up audit was conducted.	None	Audit Committee Report with progress on Internal Audit Plan & Council Resolution
6.3.6	Good governance and administration	Good corporate governance and public participation	% Implementation of Internal Audit Action Plan by 30/06/2026	Municipal Manager	93%	100%	OPEX	100%	56%	-44%	The remaining 44% relates to findings across all Departments of the Municipality which are being attended to by management.	The MM has established daily Management Audit meetings to address these findings. Affected departments to engage with internal audit to close off the findings	Internal Audit Institutional Follow-up Report
6.3.7	Good governance and administration	Good corporate governance and public participation	Number of Audit Committees Reports presented to Council by 30/06/2026	Chief Audit Executive	6	6	OPEX	4	2	-2	2 reports were presented to Council and 2 were not presented due to activities taking place in the quarter.	The reports will be presented in January 2026.	Audit Committee Reports and Council Resolution

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
6.3.8	Good governance and administration	Good corporate governance and public participation	% implementation of Audit Committee Resolutions	Municipal Manager	98%	100%	OPEX	100%	90%	-10%	The 10% relates to resolutions that are still in progress across the Municipality	Regular meetings are called by MM to address the 10% resolutions.	Audited Audit Committee Institutional Resolution Register
6.3.9	Good governance and administration	Good corporate governance and public participation	% of Community satisfaction with public services by 30/10/2026	Municipal Manager	46%	100%	OPEX	100%	15% Satisfied	-85% Dissatisfied	The purpose of the study was to get public's perception of municipal services with the view to inform decision making in developing future municipal plans.	The findings of the survey will be taken into consideration when developing the strategies and also inform project phase of the IDP.	Community Satisfaction Survey Report
6.3.10	Good governance and administration	Good corporate governance and public participation	Submission of 2024/25 Annual Performance Report to AG by 31/08/2026	Municipal Manager	1	1	OPEX	1	1	0	None	None	Submission letters, copy of final Annual Performance Report
6.3.12	Good governance and administration	Good corporate governance and public participation	% of implementation AG Action Plan by 30/06/2026	Municipal Manager	60%	80%	OPEX	100%	70%	-30%	The remaining 30% of the Audit Action Plan are in progress and will be resolved by 31 March 2026 with exception to cascading of PMS.	Council appointed the Financial Misconduct Board which will address 1 finding. The ICT Strategy is being attended to by the ICT Steering Committee. The service provider is appointed to attend to Namakgale Landfill site. PMS is being cascade.	Audited AG Action Plan

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
6.3.13	Good governance and administration	Good corporate governance and public participation	% of implementation of 2024/2025 AG Action Plan by 30/06/2026	Municipal Manager	New	100% of findings due according to approved Audit Action Plan	OPEX	100% of findings due according to approved Audit Action Plan	N/A	N/A	The Audit Action Plan is still on development stage.	Action Plan will be approved by Council on the 30 <sup>th</sup> of January 2025	Audited AG Action Plan
6.3.14	Good governance and administration	Good corporate governance and public participation	Number of Local Labour Forum meetings convened by 30/06/2026	Senior Manager Corporate Services	11	11	OPEX	5	3	-2	Non-adherence to corporate calendar	Adhere to the calendar	LLF minutes, invitations, and attendance register.
6.4 Risk Management, Fraud & Anti-Corruption													
6.4.3	Good governance and administration	Good corporate governance and public participation	Number of Institutional Risk Management Committee meetings held by 30/06/2026	Municipal Manager	5	4	OPEX	2	2	0	None	None	Minutes of the Risk Committee meeting and attendance register
6.4.4	Good governance and administration	Good corporate governance and public participation	Number of reports on the % of fraud and corruption cases reported and investigated within 30 working days by 30/06/2026	Municipal Manager	N/A	100%	OPEX	100%	N/A	N/A	No case was reported.	None	Case register and Investigation reports
6.5 HIV/AIDS													
6.5.1	Good governance and administration	Provision of sustainable integrated infrastructure and services	Number of outreach programmes conducted within Ba-Phalaborwa Municipality by 30/06/2026	Municipal Manager	3	3	OPEX	2	2	0	None	None	Outreach programmes report Attendance registers Invitations Agenda

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
<b>6.6 Security management</b>													
6.6.1	Governance and Administration	Good corporate governance and public participation	Number of Security Management reports for Safeguarding of Council Assets by 30/06/2026	Municipal Manager	4	4	OPEX	2	2	0	None	None	Security Management Reports & Council Resolution
<b>6.7 Disaster Management</b>													
6.7.1	Governance and Administration	Good corporate governance and public participation	Number of disaster awareness campaigns conducted by 30/06/2026	Municipal Manager	6	4	OPEX	2	8	+4	A resolution was taken during District Disaster forum that municipalities must conduct more awareness campaigns due to the inclement weathers experienced in the District	None	Invitations, Attendance registers and disaster awareness conducted reports
<b>6.9 Integrated Development planning</b>													
6.9.1	Governance and Administration	Good corporate governance and public participation	Number of reviewed IDP/Budget/PMS /MPAC Framework and Process Plan approved by 31/07/2026	Municipal Manager	1	1	OPEX	1	1	0	None	None	Approved IDP/Budget/PMS /MPAC Framework and Process Plan and Council Resolution
<b>6.10 Communication</b>													
6.10.2	Governance and Administration	Advance good corporate governance	% for submission of information for publishing on the website in accordance with legislation checklist by	Municipal Manager	100%	100%	OPEX	100%	100%	0%	None	None	Legislation Checklist, Proof of submission to IT

KPA 6: Good Governance and Public Participation													
PMS No. & Performance Area	Cluster	IDP Objective	Key Performance Indicator	Responsible Manager	Baseline (30/06/25)	Annual Target (30/06/26)	Budget	2025/26 Quarterly Projections					Evidence Required
								Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	
			30/06/2026										
6.10.3	Governance and Administration	Advance good corporate governance	Number of Local Communicators Forum held by 30/06/2026	Communication manager	4	4	OPEX	2	2	0	None	None	Invitations, Minutes, and attendance registers
<b>6.11 Information Communication Technology</b>													
6.11.1	Governance and Administration	Advance good corporate governance	Number of ICT Steering Committee convened by 30/06/2026	ICT Manager	4	4	OPEX	2	2	0	None	None	Invitations, Minutes, and attendance registers
6.11.2	Governance and Administration	Advance good corporate governance	Number of monthly Disaster Recovery Plan (DRP) test performed by 30/06/2026	ICT Manager	5	12	OPEX	6	6	0	None	None	DR Test Report

# **Capital Projects per Responsible Manager**

Responsible Manager	Project Name	Total Capital Budget	Planned Start Date	Planned Completion Date	Ward No.	Quarterly Outputs 2025/26					
						Mid-Year target (1 Jul – 31 Dec 25)	Mid-Year Actual Performance	Actual Performance variance	Remarks and challenges	Corrective Measures/Interventions	Evidence required
<b>Internally funded</b>											
Senior Manager Technical	Upgrade of road from gravel to Tar: Tambo Phase 2	R6 720 000.00	01/07/25	30/06/26	5&6	Completion	Completion	None	None	None	Completion certificate
Senior Manager Technical	Refurbishment of Namakgale stadium	R10 400 000.00	01/07/25	30/06/26	4,5	Construction with the following deliverables - Reconditioning of combo courts - grassing of the pitch - Sewer line construction - Main water line construction - widening of road Tiling -Glazing -Paving around the changeroom -Electrical works -Running track	Reconditioning of combo courts=98% -grassing of the pitch=92% -Sewer line construction=98% -Main water line construction=80% -widening of road=100% Tiling -Glazing -Paving around the changeroom=98% -Electrical works=98% -Running track=70%	All deliverables were partially achieved	The project has halted due to disruptions by owed sub-contractors from the previous contractor	Intervention meetings were held to resolve the matter. An attorney has been appointed by the municipality to attain a legal opinion on the retention amount	Completion certificate
Senior Manager Technical	Upgrading of Honeyville to Dinoko Sebera from gravel to tar	R7 523 000.00	01/07/25	30/06/26	8,9	Construction with the following deliverables -site establishment -box cutting -roadbed preparation - Roadbed -Selected layer construction	site establishment =100% -box cutting=100% -roadbed preparation=94.46% -Selected layer construction=87.17%	Roadbed = 5.54% Selected layer construction = 12.83%	There is slow progress by the contractor. The project is has improved performance however it is still behind schedule	Intervention meetings were held to assist in improving progress. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4

Senior Manager Technical	Upgrading of gravel to asphalt from Aubrey carwash via cemetery to Kanana	R3 052 000.00	01/07/25	30/06/26	2	Construction with the following deliverables  -site establishment -box cutting -roadbed preparation  - Roadbed -Selected layer construction	-site establishment=100 % -box cutting=100% -roadbed preparation=58% -Selected layer construction=56.5 %	Roadbed = 42% Selected layer construction = 43.5%	There is slow progress by the contractor. The project is behind schedule and there is minimal progress on site	Contract management is being applied on the project. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4
<b>Waste Management</b>											
Senior Manager Community Services	Development of Phalaborwa New Landfill Site	R4 000 000.00	01/07/25	30/06/26	1,2,3,4,5, 6,7,8,9,10 ,11,12,13, 14,15,16	Evaluation, Adjudication, Appointment of contractor and Handover of the site	Awaiting for evaluation process	Awaiting for evaluation process	Completion of fencing for the new landfill site	Specification briefing has been made and awaiting for Bid evaluation committee to site	Advertisement, Appointment letters, Progress Reports, Completion certificate, Expenditure report
<b>Roads and stormwater</b>											
Senior Manager Technical Services	Construction of a Trapezoidal concrete lined stormwater channel, in ward 5 Namakgale	R1 500 000.00	01/07/25	30/06/26	5	Evaluation, Adjudication, Appointment of contractor and Handover of the site	No progress. The project was not prioritized due to revenue	No progress on the project	The project will be reprioritized based on Municipal revenue	The project was not implemented due to cash constraint	Progress Reports, Completion certificate (only in 4th Quarter), Expenditure report
<b>Office Furniture &amp; Equipment</b>											
Senior Manager Corporate	Purchase of office Furniture & Equipment	R 1 700 000.00	01/07/25	30/06/26	Office use	Appointment of the service provider	4x High Back Economic chairs  1x upright stainless steel fridge  30xblack high back chairs with support arm rests  1x Executive office desk with drawers  1x Executive	None	None	None	Requisition

							leather office chair 1x 18000 BTU Air conditioner  1x High back Ergonomic office chair (Ecotherapy)				
<b>Integrated National Electrification Projects (INEP)</b>											
Senior Manager Technical	Electrification of 150 household in Majeje phase 03	R3 855 000.00	01/07/25	30/06/26	All	Appointment of the Service Provider  Approval of Designs, Site Establishment and Pegging of Works	The service provider was appointed.	The approval of Designs, Site Establishment and Pegging of Works are outstanding is outstanding	Delays in designs, and subsequent processes (site establishment, pegging) due to delays in approval of planning proposal by ESKOM	Fast tracking of approval processes by ESKOM	Progress Reports, Completion certificate (only in 4 <sup>th</sup> Quarter), Expenditure report
Senior Manager Technical	Construction of New Substation	R2 000 000.00	01/07/25	30/06/26		Appointment of the Service Provider  Scoping report	The service provider was appointed. The inception report was concluded	None	None	None	Progress Reports, Expenditure report
<b>Municipal Infrastructure Grant (MIG)</b>											
Senior Manager Technical	Upgrading of gravel to asphalt street paving from clinic via ZCC ward 2	R6,400,000.00	01/07/25	30/07/26	2	Appointment of Consulting Engineer  Design approval	Engineers have been appointed and designs have been concluded	None	None	None	Appointment letters, detail design report, Progress Reports, expenditure report, completion certificate (only at 4 <sup>th</sup> quarter) BEC and BAC minutes
Senior Manager Technical	Installation of stormwater culvert at Shitshitwe culvert	R4,000,000.00	01/07/25	30/07/27	9	Appointment of Consulting Engineer  Design approval	Engineers have been appointed and designs have been concluded	None	None	None	Appointment letters, detail design report, Progress Reports, expenditure report, completion certificate (only at 4 <sup>th</sup> quarter) BEC and BAC minutes

Senior Manager Technical	Upgrading of Honeyville to Dinoko Sebera from gravel to paving	R9,000,000.00	01/07/25	30/06/26	8,9	Construction with the following deliverables  -site establishment -box cutting -roadbed preparation  - Roadbed -Selected layer construction	Roadbed = 94.46% Selected layer construction = 87.17%	Roadbed = 5.54% Selected layer construction = 12.83%	There is slow progress by the contractor. The project is has improved performance however it is still behind schedule	Intervention meetings were held to assist in improving progress. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4
Senior Manager Technical	Upgrading of gravel to paving from Aubrey carwash via cemetery to Kanana	R7,304,325.24	01/07/25	30/06/26	2	Construction with the following deliverables  -site establishment -box cutting -roadbed preparation  - Roadbed -Selected layer construction	Roadbed = 58% Selected layer construction = 56.5%	Roadbed = 42% Selected layer construction = 43.5%	There is slow progress by the contractor. The project is behind schedule and there is minimal progress on site	Contract management is being applied on the project. Contractor to do multiple tasks and add more resources on site	Progress Reports, Expenditure report, Completion certificate for Quarter 4
Senior Manager Technical	Upgrade of gravel to asphalt from Nkateko high school to Pondo combined school	R8,000,000.00	01/07/25	30/06/26	14	Appointment of Consulting Engineer  Design approval	Engineers have been appointed and designs have been concluded	None	None	None	Appointment letters, design report, Progress Reports, Expenditure report BEC and BAC minutes
Senior Manager Technical	Installation of high mast lights in Ba-Phalaborwa	R2,202 350.00	01/07/25	30/06/26	All Wards	Designs approval  -Site handover to contractor -Site establishment	Designs have been concluded  -Site handover to contractor -Site establishment = 100%	None	Project is progressing well	None	Design report, Progress report, expenditure reports
<b>Municipal Disaster Response Grant (MDRG)</b>											
Senior Manager Technical	Derrick Nyathi	R4 000 000.00	01/09/25	30/02/2026	14	Advertisement of bids	Bid evaluation Site handover to	The site has been handed	None	None	Bids Advertisements, bid evaluation minutes, Site handover minutes,

	bridge rehabilitation						contractor Site establishment Construction stage Completion	over to the contractor and site has been established				Progress reports, completion certificate (third quarter only)
Senior Manager Technical	Selwane Graveyard Rehabilitation	R6 000 000.00	01/09/25	30/02/2026	18	Advertisement of bids	Bid evaluation Site handover to contractor Site establishment Construction stage Completion	The site has been handed over to the contractor and site has been established	None	None		Bids Advertisements, bid evaluation minutes, Site handover minutes, Progress reports, completion certificate (third quarter only)

## 8. Assessment of Service provider

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Rating	Description of rating
1	Poor Performance
2	Fair Performance
3	Good Performance
4	Very Good Performance
5	Performance Above Expectations

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
<b>COMMUNITY AND SOCIAL SERVICES</b>										
Provision of services to the waste disposal site in Ba-Phalaborwa	Compaction, excavation and hauling of gravel material for cover in the landfill site	Mamayila trading enterprise	Ba-Phalaborwa Municipality	01/10/2022	31/09/2025	Operational budget (12 337 758,00)	Operation and maintenance of Phalaborwa landfill site. Contract end by September 2025.	There are no cover material and compaction around the landfill site all plants must be on the site daily basis. Building rubble was used as covering materials as an alternative due to lack of soil around the site.	2	Signed Service Level Agreement. Singed Inception report with milestones and evidence
<b>CORPORATE SERVICES</b>										
Rental Installation and maintenance of VoIP for 3 years	Delivery and installation of the VOIP PBX system on all municipal offices	Mabapa Technologies	Internal Funded	01 October 2024	30 September 2027	R2 371 875.00	150 Telephones handset are delivered and 143 installed in the Municipality	None	4	Signed Service Level Agreement. Singed Inception report with milestones

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
										and evidence
Acquisition Enterprise Management System		CCG SYSTEMS	Internal Funded	05 May 2025	30 April 2028	R2,466,913 (Lisence and support)	Lisence and support is proved to the municipality	None	3	Signed Service Level Agreement. Singed Inception report with milestones and evidence
Rental of Photocopier	Rental of Multifunction Printer	ANAKA	Internal Funded	01 August 2025	31 July 2028	R2 364 630.00	36 Machines have been delivered and installed at the Municipality	The machine at technical not working due to system board that keeps on breaking	3	Signed Service Level Agreement. Singed Inception report with milestones and evidence
	Provision of 140 Laptops	Nghilazi Group (Pty) Ltd	Internal Funded	01 August 2024	31 July 2027	R5 865 011.04.00	140 Laptops Supplied to the Municipality	None	4	Signed Service Level Agreement. Singed Inception report with milestones and evidence

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
Provision Of Data and Voice	Provision Of Data and Voice	Vodacom and MTN	Internal Funded			R 2 100 000.00	Data provided to officials and councillors	None	4	Signed Service Level Agreement. Singed Inception report with milestones and evidence
Legal Services	Provision of legal services	Lubisi Attorneys  Verveen Attorneys  MMMG Attorneys  Maboku Mangena Attorneys  Modjadji Rephaesu Attorneys  Gilbert Motedi Attorneys  KAM Attorneys  Noko Maimela Attorneys	Internally Funded			R9 000 000.00	On going provision of legal services	None	4	Signed Service Level Agreement. Singed Inception report with milestones and evidence

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
		Sebola Attorneys  Mohole Attorneys  Mohuba Attorneys  MB Mabunda Attorneys  Mafa Attorneys  Chidi Attorneys								
<b>TECHNICAL SERVICES</b>										
Refurbishment of Namakgale stadium	a) Artificial surfacing of the Athletics track b) Completion of Sewer reticulation. c) Refurbishment of the Combo Courts d) Topsoiling and grassing & kerbing around the playing field e) Fencing around the Soccer Pitch f) Upgrading of Access Gates (Gate 1 & 2) g) Removal and re-installation of Clear-vu fence at Gate 1 h) Supply and installation of Handrails i) Installation of turnstiles at Gate 1 j) Water pressure testing. k) Supply of tanks and	Laelo JV Mokhomole	MIG & Internal Funding	27 March 2025	25 April 2026	R	Physical progress is at 83%	Project has stopped due to owed sub-contractors disrupting the project	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
	construction of tank stands to supplement municipal water supplies. l) Stormwater drainage m) Widening of Access Road from Gate 2 to the Grandstand and walkways n) Building works									
Refurbishment of Namakgale stadium	<ul style="list-style-type: none"> <li>• Inception</li> <li>• Design</li> <li>• Tender administration</li> <li>• Close out</li> </ul>	Infra projects Africa	MIG & Internal Funding	27 March 2025	25 April 2026	R	Project is being monitored as per scope	None	3	<p>Signed Service Level Agreement.</p> <p>Singed Inception report with milestones and evidence</p>
Upgrading of gravel to 80mm block interlocking paving from Honiville to Dinoko Sebera	<ul style="list-style-type: none"> <li>• Inception</li> <li>• Design</li> <li>• Tender administration</li> <li>• Close out</li> </ul>	Tshashu Consulting and Project Managers	MIG & Internal Funding	30 August 2024	13 March 2026	R500 000.00	Project is being monitored as per scope	None	2	<p>Signed Service Level Agreement.</p> <p>Singed Inception report with milestones and evidence</p>
Upgrading of gravel to 80mm block interlocking paving from Honiville to Dinoko Sebera	<ul style="list-style-type: none"> <li>• Clearing and grubbing</li> <li>• Relocation of services (Eskom and water )</li> <li>• Removal of indigenous trees</li> <li>• Moving back fences of encroaching stands</li> <li>• Mass earthwork</li> <li>• Hard rock blasting</li> <li>• Construction of layer works – roadbed,</li> </ul>	Nghilazi Contractors	MIG & Internal Funding	13 December 2024	13 March 2026	R8 500 000.00	Physical progress is at 55%.	There is slow progress on site, however there is improvement on the rate of progress. The project is being	2	<p>Signed Service Level Agreement.</p> <p>Signed Inception report with milestones and</p>

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
	selected ,sub-base and base • Stabilization of base layer • Surfacing with 80mm Interlocking Block Pave • Improvement of the road D3790 intersection with 30mm asphalt surfacing • Installation of culverts • Construction of concrete v-drains and edge beams • Construction of Sub-Soil drainage • Installation of kerbs • Construction of speed humps 10 • Stone pitching and gabion installation • Installation of guardrails • Installation of road signs								monitored closely	evidence.
Upgrading of gravel to 80mm block interlocking paving from Aubery carwash via cemetery to Kanana	<ul style="list-style-type: none"> <li>• Inception</li> <li>• Design</li> <li>• Tender administration</li> <li>• Supervision</li> </ul> Close out	Tshashu Consulting and Project Managers	MIG & Internal Funding	30 August 2024	23 January 2027	R250 000.00	Project is being monitored as per scope issued	None	2	Signed Service Level Agreement.  Signed Inception report with milestones and evidence.
Upgrading of gravel to	<ul style="list-style-type: none"> <li>• Relocation of services (Eskom</li> </ul>	Within Africa Construction	MIG & Internal	04 December	23 January 2026	R7 054 325.24	Physical progress is at 41.67%	There is minimal	1	Signed Service Level

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
80mm block interlocking paving from Auberry carwash via cemetery to Kanana	<p>and water)</p> <ul style="list-style-type: none"> <li>• Removal of indigenous trees</li> <li>• Moving back fences of encroaching stands</li> <li>• Mass earthwork</li> <li>• Hard rock blasting</li> <li>• Construction of layer works – roadbed, selected ,sub-base and base</li> <li>• Stabilization of base layer</li> <li>• Surfacing with 80mm interlocking block pavement</li> <li>• Installation of culverts</li> <li>• Construction of concrete v-drains and edge beams</li> <li>• Construction of Sub-Soil drainage</li> <li>• Installation of kerbs</li> <li>• Installation of</li> </ul>		Funding	2024				progress on site.		Agreement. Signed Inception report with milestones and evidence.

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
	<ul style="list-style-type: none"> <li>guardrails</li> <li>• Construction of speed humps 10</li> <li>• Stone pitching and gabion installation</li> <li>• Installation of road signs</li> </ul> <p>Road markings</p>									
Installation of twenty highmast lights in Phalaborwa	<ul style="list-style-type: none"> <li>Civil works (Foundations and concrete)</li> <li>• Excavation of trenches and foundation footings</li> <li>• Casting of concrete footing</li> <li>• Mechanical works (Mast construction)</li> <li>• Installation of Bolts and 20 high mast lights</li> <li>• Electrical Works (All electrical reticulation)</li> <li>• Energize by Natural Energy (Solar System) due to intensified load reduction by Eskom</li> </ul>	Ndzalo Corporation JV	MIG	30 September 2025	22 July 2026	R 11 111 356.00	Physical progress is at 37%	None	4	<p>Signed Service Level Agreement.</p> <p>Signed Inception report with milestones and evidence.</p>
<b>PLANNING AND DEVELOPMENT</b>										
Land Audit	Assessment of all properties within the Jurisdiction of the Ba-Phalaborwa municipality to include the following: Registered and unregistered names of properties, Area size, land ownership, land clams, Land uses, Land zoning, Planned projects, illegal occupations,	NGOTI Development Consultants	Budgeted for	26 November 2025	31 July 2026	R1 399 550.00	Phase 2 – Implementation plan and Inception report	None	4	<p>Signed Service Level Agreement.</p> <p>Signed Inception report with milestones and evidence.</p>

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
	and mapping all the outcomes									
Urban Renewal Strategy	Development of a Precinct Plan for the Ba-Phalaborwa Central Business District, forming Part of the Ba-Phalaborwa's Urban Renewal Strategy.	Nkanivo Development Consultants	Budgeted for	05 September 2025	30 June 2026	R1 150 000.00	Phase 1 – Inception Report	None	4	Signed Service Level Agreement. Singed Inception report with milestones and evidence
General Valuation Roll	Development of General Valuation Roll 2025 – 2030 and Supplementary Valuation roll yearly	Lutendo Group	Budgeted for	15 July 2024	30 June 2030	R1 998 230.00	Supplementary Valuation Roll 01 (SV 01)	None	3	Signed Service Level Agreement. Singed Inception report with milestones and evidence
<b>BUDGET AND TREASURY</b>										
AFS Preparation	AFS preparation and fixed Assets register compilation	Sempro Consulting	Own funding	August 2024	July 2027	R3 000 000.00	The management were able to submit the AFS on time	No challenges	4	Signed Service Level Agreement. Singed Inception report with milestones and evidence

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year	
Debt Collection	Provision of debt collection services for a period of three (3) years.	Smart Metro JV	Own funding	August 2025	July 2028	R1 300 000.00	Oct 2025 collected R815 889.51  Nov 2025 collected R623 494.47  Dec 2025 collected R1 731 477.78	No challenges.	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
Pre-paid Electricity Vending	Selling Pre-Paid electricity tokens.	Cigicell	Own funding	April 2023	March 2026	R1 400 000.00	The customers are able to purchase the electricity tokens at several party vendors	No challenges.	4	Signed Service Level Agreement.  Singed Inception report with milestones and evidence
Meter Reading	Reading electricity meters	Semodi Trading	Own funding	February 2025	January 2028	R500 000.00	Meter readings for Jul – 17 912 HH Aug – 17 899 HH Sep – 17 835 HH Oct – 17 835 HH Nov – 16 665 HH Dec – 17 218 HH	No challenges.	4	Singed Inception report with milestones and evidence
<b>MUNICIPAL MANAGER OFFICE</b>										
Co-Source of Internal Audit	Co-source of Internal Audit services – Implementation of	Thabi consulting	Internal	16 February 2024	16 February 2027	R2 872 049.60	The following engagements were	None	4	SLA, Engagement

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required	
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid-Year		
services	IA Plan						<p>planned for Co-sourcing with the service provider: AFS Review Cyber Security Review. Project Assurance.</p> <p>The AFS Review was completed on the 25<sup>th</sup> of August 2025 and presented to Management &amp; Audit Committee. The engagement was concluded on time and was value add.</p> <p>Project Assurance was revised on the Annual Plan due to implementation of PMS system delay.</p> <p>Cyber Security Audit in progress.</p> <p>Project Assurance was revised on the Annual Plan due to implementation of PMS system delay. The project will be executed once management starts with implementation.</p>				Allocation to Service Provider, Confirmation of completion of the Engagements and Skills Transfer Report.

Project name	Scope of work	Name of the Service provider	Source of funding	Start date	Completion date	Budget	Progress to date	Challenges and intervention	Assessment of service provider	POE Required	
									1-Poor, 2-Fair, 3-Good, 4-Very good & 5-Above expectations Mid -Year		
Security Services	Provision of Security Services and access control.	A-Team Task Force	Ba-Phalaborwa Municipality	01/03/2025	29/02/2028	R54 208 746.00	Planning and execution of Cyber Security Audit was completed and submitted to CAE for review.	Good	None	4	SLA, Service Provider Assessment report.

# **PART 2: 2025/26 MID-YEAR BUDGET PERFORMANCE**

## **1. INTRODUCTION**

In terms of Section 72 of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) state that the Accounting Officer must by 25 January of each year assess the budget and performance of the Municipality during the first half of the financial year. A report on such assessment must in terms of section 72 (1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

## **2. MID TERM EXPENDITURE REPORT FOR THE FY2025/26**

An assessment of the budget performance of the municipality was, as required in terms of Section 72 of the MFMA, performed and was also reported to the Executive Mayor. The assessment of the mid-year performance necessitated an adjustment budget as a result of the spending on the first six months of the financial year on both the operating budget as well as the capital budget.

## **3. STATEMENT OF FINANCIAL PERFORMANCE INFORMATION**

The summary of the financial performance and position against the budget projection for the period ending December 2025 is as follows:

- (a) The year-to-date revenue generated amounts to R390,9 million which equates to 52% of total revenue budget;
- (b) The year-to-date operating expenditure incurred amounts to R315,9 million which equates to 40% of total operating expenditure budget;
- (c) The capital expenditure incurred year to date incurred amounts to R 26,7 million which equates to 39% of the total capital expenditure budget;
- (d) The cash and cash equivalents as at 31 December 2025 amounts to R49,9 million.

To enable better analysis and review of the budget performance and the financial state of affairs of the municipality, the following schedules and narratives are provided.

### 3.1.1 OPERATING REVENUE AND EXPENDITURE PERFORMANCE

LIM334 Ba-Phalaborwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description R thousands	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Revenue</b>										
Exchange Revenue										
Service charges - Electricity		134 358	193 957	193 957	14 288	66 363	96 979	(30 615)	-32%	193 957
Service charges - Waste management		21 408	19 894	19 894	1 761	10 632	9 947	685	7%	19 894
Sale of Goods and Rendering of Services		4 033	5 993	5 993	67	3 081	2 997	84	3%	5 993
Agency services		13 293	11 932	11 932	81	488	5 966	(5 478)	-92%	11 932
Interest earned from Receivables		14 388	16 768	16 768	992	5 715	8 384	(2 669)	-32%	16 768
Interest from Current and Non Current Assets		4 881	5 351	5 351	254	1 551	2 675	(1 125)	-42%	5 351
Rental from Fixed Assets		526	349	349	44	819	175	644	369%	349
Operational Revenue		324	7 432	7 432	21	349	3 716	(3 366)	-91%	7 432
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-
Property rates		128 968	214 177	214 177	17 309	104 992	107 089	(2 097)	-2%	214 177
Fines, penalties and forfeits		768	1 306	1 306	14	113	653	(540)	-83%	1 306
Licence and permits		5 572	5 851	5 851	1 249	9 862	2 926	6 936	237%	5 851
Transfers and subsidies - Operational		223 452	224 034	224 034	73 147	167 499	112 017	55 483	50%	224 034
Interest		39 035	43 242	43 242	3 341	19 486	21 621	(2 135)	-10%	43 242
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>591 007</b>	<b>750 286</b>	<b>750 286</b>	<b>112 566</b>	<b>390 951</b>	<b>375 143</b>	<b>15 808</b>	<b>4%</b>	<b>750 286</b>
<b>Expenditure By Type</b>										
Employee related costs		179 454	223 845	223 845	16 350	94 220	111 922	(17 703)	-16%	223 845
Remuneration of councillors		17 260	19 196	19 196	1 402	8 400	9 598	(1 198)	-12%	19 196
Bulk purchases - electricity		138 092	150 812	150 812	-	66 590	75 406	(8 816)	-12%	150 812
Inventory consumed		42 111	26 313	26 313	2 220	13 108	13 156	(48)	0%	26 313
Debt impairment		-	110 142	110 142	-	-	55 071	(55 071)	-100%	110 142
Depreciation and amortisation		49 173	87 220	87 220	6 914	41 417	43 610	(2 193)	-5%	87 220
Interest		21 490	20 722	20 722	-	-	10 361	(10 361)	-100%	20 722
Contracted services		59 834	68 642	68 642	5 048	21 094	34 321	(13 227)	-39%	68 642
Transfers and subsidies		219	522	522	-	-	261	(261)	-100%	522
Irrecoverable debts written off		146 917	-	-	-	31 587	-	31 587	#DIV/0!	-
Operational costs		127 516	87 732	87 732	9 589	39 452	43 866	(4 415)	-10%	87 732
<b>Total Expenditure</b>		<b>782 261</b>	<b>795 146</b>	<b>795 146</b>	<b>41 524</b>	<b>315 867</b>	<b>397 573</b>	<b>(81 705)</b>	<b>-21%</b>	<b>795 146</b>
<b>Surplus/(Deficit)</b>		<b>(191 254)</b>	<b>(44 860)</b>	<b>(44 860)</b>	<b>71 042</b>	<b>75 084</b>	<b>(22 430)</b>	<b>97 513</b>	<b>(0)</b>	<b>(44 860)</b>
Transfers and subsidies - capital (monetary allocations)		35 105	37 083	47 083	10 913	17 895	23 542	(5 647)	(0)	37 083
<b>Surplus/ (Deficit) for the year</b>		<b>(156 149)</b>	<b>(7 777)</b>	<b>2 223</b>	<b>81 955</b>	<b>92 978</b>	<b>1 112</b>			<b>(7 777)</b>

### 3.1.2 THE TABLE REFLECTS THE OPERATING REVENUE AND EXPENDITURE PERFORMANCE PER DEPARTMENT

LIM334 Ba-Phalaborwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description R thousands	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Revenue by Vote</b>										
Vote 1 - Executive and Councillors	1	–	–	–	–	–	–	–	–	–
Vote 2 - Budget and Treasury Office		394 890	492 900	492 900	93 770	290 550	246 450	44 099	17.9%	492 900
Vote 3 - Corporate Services		841	349	349	44	967	175	793	453.7%	349
Vote 4 - Community and Social Services		16 706	15 727	15 727	1 290	10 421	7 863	2 557	32.5%	15 727
Vote 5 - Planning and Development Services		464	301	301	23	123	151	(28)	-18.4%	301
Vote 6 - Technical Services		213 211	278 091	288 091	28 352	106 785	144 045	(37 261)	-25.9%	278 091
<b>Total Revenue by Vote</b>	2	<b>626 112</b>	<b>787 369</b>	<b>797 369</b>	<b>123 479</b>	<b>408 845</b>	<b>398 684</b>	<b>10 161</b>	<b>2.5%</b>	<b>787 369</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive and Councillors	1	74 617	80 295	80 295	6 037	33 213	40 148	(6 935)	-17.3%	80 295
Vote 2 - Budget and Treasury Office		244 599	192 104	192 104	9 824	73 731	96 052	(22 321)	-23.2%	192 104
Vote 3 - Corporate Services		73 576	79 823	79 823	4 938	36 324	39 911	(3 587)	-9.0%	79 823
Vote 4 - Community and Social Services		68 969	88 781	88 781	7 447	35 812	44 391	(8 579)	-19.3%	88 781
Vote 5 - Planning and Development Services		22 539	29 887	29 887	2 663	8 832	14 944	(6 112)	-40.9%	29 887
Vote 6 - Technical Services		297 961	324 255	324 255	10 616	127 956	162 127	(34 172)	-21.1%	324 255
<b>Total Expenditure by Vote</b>	2	<b>782 261</b>	<b>795 146</b>	<b>795 146</b>	<b>41 524</b>	<b>315 867</b>	<b>397 573</b>	<b>(81 705)</b>	<b>-20.6%</b>	<b>795 146</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(156 149)</b>	<b>(7 777)</b>	<b>2 223</b>	<b>81 955</b>	<b>92 978</b>	<b>1 112</b>	<b>91 866</b>	<b>8263.4%</b>	<b>(7 777)</b>

- ❖ It should be noted that Departmental expenditure are within projected budget as at 31 December 2025

### 3.1.3 CASH FLOW MANAGEMENT

Description	Bank Name	Closing balance as at 31st December 2025
<b>Main account</b>		
	Primary Account	8 535 988.14
<b>Call Accounts_Ba-Phalaborwa Municipality</b>		
	CALL ACCOUNT 0001	18 722 667.81
	CALL ACCOUNT 0002	20 768 503.62
	CALL ACCOUNT 0004	8 760 750.30
	CALL ACCOUNT 0005	477 181.50
	ABSA CALL-002	151 614.87
		<b>48 880 718.10</b>
<b>Traffic Account</b>		
	Traffic Account	1 103 930.27
	<b>Cash and Cash Equivalent</b>	<b>49 984 648.37</b>

The municipality close with the balance of R49.9 million which consists of Main account, call deposit accounts and traffic account.

### 3.1.4 CAPITAL ASSETS INCURRED

LIM334 Ba-Phalaborwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

<u>Capital Expenditure - Functional Classification</u>		8 571	1 478	1 478	-	4	739	(735)	-99%	1 478	
<i>Governance and administration</i>		8 571	1 478	1 478	-	4	739	(735)	-99%	1 478	
Executive and council		-	-	-	-	-	-	-	-	-	
Finance and administration		8 571	1 478	1 478	-	4	739	(735)	-99%	1 478	
Internal audit		-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		200	9 043	9 043	942	3 341	4 522	(1 181)	-26%	9 043	
Community and social services		-	-	-	-	-	-	-	-	-	
Sport and recreation		0	9 043	9 043	942	3 341	4 522	(1 181)	-26%	9 043	
<i>Economic and environmental services</i>		29 469	43 404	52 099	8 315	20 275	25 050	(4 775)	-19%	43 404	
Planning and development		-	-	-	-	-	-	-	-	-	
Road transport		29 469	43 404	52 099	8 315	20 275	25 050	(4 775)	-19%	43 404	
Environmental protection		-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		2 733	5 393	5 393	3 059	3 059	3 697	(638)	-17%	5 393	
Energy sources		2 733	1 915	1 915	3 059	3 059	1 958	1 101	56%	1 915	
Waste management		0	3 478	3 478	-	-	1 739	(1 739)	100%	3 478	
<i>Other</i>		-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional Classification</b>		<b>3</b>	<b>40 973</b>	<b>59 319</b>	<b>68 015</b>	<b>12 315</b>	<b>26 679</b>	<b>34 007</b>	<b>(7 329)</b>	<b>-22%</b>	<b>59 319</b>
<b>Funded by:</b>											
National Government		26 265	32 246	40 942	9 489	15 606	20 471	(4 865)	-24%	32 246	
<b>Transfers recognised - capital</b>		<b>26 265</b>	<b>32 246</b>	<b>40 942</b>	<b>9 489</b>	<b>15 606</b>	<b>20 471</b>	<b>(4 865)</b>	<b>-24%</b>	<b>32 246</b>	
<b>Borrowing</b>		6	-	-	-	-	-	-	-	-	
Internally generated funds		14 707	27 073	27 073	2 826	11 072	13 536	(2 464)	-18%	27 073	
<b>Total Capital Funding</b>			<b>40 973</b>	<b>59 319</b>	<b>68 015</b>	<b>12 315</b>	<b>26 679</b>	<b>34 007</b>	<b>(7 329)</b>	<b>-22%</b>	<b>59 319</b>

## 3.2 GRANT MANAGEMENT

### 3.2.1 Grant Received

BA-PHALABORWA LOCAL MUNICIPALITY GRANT RECONCILIATION AS AT 31 DECEMBER 2025								
VOTE NUMBER	EQUITABLE SHARE	FMG	MIG	INEP	EPWP	LG SETA	DISASTER GRANT	TOTAL
BUDGET	217 276 000	3 000 000	39 035 000	5 855 000	1 806 000		10 000 000	276 972 000
ADJUSTMENT BUDGET	-				-	-	-	-
<b>TOTAL BUDGET</b>	<b>217 276 000</b>	<b>3 000 000</b>	<b>39 035 000</b>	<b>5 855 000</b>	<b>1 806 000</b>	<b>-</b>	<b>10 000 000</b>	<b>276 972 000</b>
<b>UNSPENT GRANT</b>								
RECEIVED TO DATE	162 882 000	3 000 000	19 231 000	2 635 000	1 265 000	148 169	10 000 000	199 161 169
<b>VARIANCE</b>	<b>54 394 000</b>	<b>-</b>	<b>19 804 000</b>	<b>3 220 000</b>	<b>541 000</b>	<b>-148 169</b>	<b>-</b>	<b>77 810 831</b>
RECEIVED TO DATE IN %	75	100	49	45	70	#DIV/0!	100	72
<b>GRANT INCOME</b>	<b>162 882 000</b>	<b>3 000 000</b>	<b>19 231 000</b>	<b>2 635 000</b>	<b>1 265 000</b>	<b>148 169</b>	<b>10 000 000</b>	<b>199 161 169</b>
2025 July	90 532 000							100 677 333
2025 August		3 000 000						3 452 000
2025 September			7 446 000					21 785 000
2025 October			11 785 000					83 836
2025 November					2 635 000			813 000
2025 December		72 350 000						72 350 000
2026 January						64 333		-
2026 February						83 836		-
2026 March							10 000 000	-
2026 April								-
2026 May								-
2026 June								-

❖ An amount of R199,2 million which represent 72% of all grants budgeted for has been received as at 31 December 2025.

### 3.2.2 Grant Payment Allocation

BA-PHALABORWA LOCAL MUNICIPALITY GRANT RECONCILIATION AS AT 31 DECEMBER 2025							
VOTE NUMBER	EQUITABLE SHARE	FMG	MIG	INEP	EPWP	LG SETA	TOTAL
BUDGET	217 276 000	3 000 000	39 035 000	5 855 000	1 806 000	-	10 000 000
ADJUSTMENT BUDGET	-	-	-	-	-	-	-
<b>TOTAL BUDGET</b>	<b>217 276 000</b>	<b>3 000 000</b>	<b>39 035 000</b>	<b>5 855 000</b>	<b>1 806 000</b>	<b>-</b>	<b>10 000 000</b>
<b>UNSPENT GRANT</b>							<b>-</b>
RECEIVED TO DATE	162 882 000	3 000 000	19 231 000	2 635 000	1 265 000	148 169	10 000 000
VARIANCE	<b>54 394 000</b>	-	<b>19 804 000</b>	<b>3 220 000</b>	<b>541 000</b>	<b>-148 169</b>	<b>-</b>
RECEIVED TO DATE IN %	75	100	49	45	70	#DIV/0!	100
GRANT INCOME	162 882 000	3 000 000	19 231 000	2 635 000	1 265 000	148 169	10 000 000
SUB TOTAL	162 882 000	3 000 000	19 231 000	2 635 000	1 265 000	148 169	10 000 000
GRANT EXPENDITURE	162 882 000	2 036 635	18 397 797	323 438	909 196	148 169	709 841
BALANCE UNSPENT / (OVER EXPENDITURE)	-	<b>963 365</b>	<b>833 203</b>	<b>2 311 563</b>	<b>355 804</b>	-	<b>9 290 159</b>
% Expenditure on Receipts	100	68	96	12	72	100	7
% Expenditure on Budget	75	68	47	6	50	#DIV/0!	7
							67

- ❖ The municipality spent 93% of the grants received as of December 2025.
- ❖ The municipality spent 67% of the annual allocated grant.
- ❖ The municipality did not receive third tranche of MIG to the value of R 11,4 million and second tranche of INEP to the value of R 1,2 million.

### 3.2.3 Creditors Aging Analysis

LIM334 Ba-Phalaborwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description R thousands	NT Code	Budget Year 2025/26								Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	8 718	—	—	—	—	—	—	—	8 718
Bulk Water	0200	—	—	—	—	—	—	—	—	—
PAYE deductions	0300	—	—	—	—	—	—	—	—	—
VAT (output less input)	0400	—	—	—	—	—	—	—	—	—
Pensions / Retirement deductions	0500	—	—	—	—	—	—	—	—	—
Loan repayments	0600	—	—	—	—	—	—	—	—	—
Trade Creditors	0700	357	—	—	—	—	—	(8)	—	349 349
Auditor General	0800	— 1	—	—	—	—	—	—	—	— 1
Other	0900	254	30	—	—	—	—	—	—	284 284
Medical Aid deductions	0950	—	—	—	—	—	—	—	—	—
<b>Total By Customer Type</b>	<b>1000</b>	<b>10 328</b>	<b>30</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(8)</b>	<b>—</b>	<b>10 350</b>

- ❖ The total due to creditors amounts to **R10.4 million** as of 31 December 2025
- ❖ The amount standing under 31 - 60 days that was paid but returned due to a non-compliant bank account. No interest will be charged since it returned back, and it will not affect the financial performance.
- ❖ The amount under 181 – 1 year it was over payment. To be credited as we have a commitment to the service provider on a monthly basis.

### 3.2.4 Debtors Aging Analysis

Description R thousands	NT Code	Budget 2025/26									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Total	Bad Debts	>90 days
<b>Debtors Age Analysis By Revenue Source</b>											
Rates	1200	12 360	9 677	7 884	7 181	7 048	6 920	674 878	725 949		696 028
Electricity	1300	8 853	5 747	6 175	3 867	2 706	5 283	50 623	83 253		62 479
Water	1400	–	–	–	–	–	–	–	–		–
Sewerage / Sanitation	1500	–	–	–	–	–	–	–	–		–
Refuse Removal	1600	2 363	2 076	1 956	1 911	1 917	1 900	191 268	203 392		196 997
Housing (Rental Revenue)	1700	10	6	6	5	3	3	106	138		117
Other	1900	1 532	2 028	661	3 215	2 012	1 525	10 423	21 396		17 175
<b>Total By Revenue Source</b>	<b>2000</b>	<b>25 118</b>	<b>19 534</b>	<b>16 681</b>	<b>16 179</b>	<b>13 687</b>	<b>15 631</b>	<b>927 298</b>	<b>1 034 129</b>	<b>–</b>	<b>972 796</b>
<b>Debtors Age Analysis By Customer Category</b>											
Government	2200	3 403	2 647	2 260	2 192	1 855	2 118	125 645	140 121		131 810
Business	2300	936	728	622	603	510	583	34 564	38 546		36 260
Households	2400	20 779	16 159	13 799	13 384	11 322	12 931	767 088	855 462		804 725
Other	2500	–	–	–	–	–	–	–	–		–
<b>Total By Customer Category</b>	<b>2600</b>	<b>25 118</b>	<b>19 534</b>	<b>16 681</b>	<b>16 179</b>	<b>13 687</b>	<b>15 631</b>	<b>927 298</b>	<b>1 034 129</b>	<b>–</b>	<b>972 796</b>

- ❖ The debtor's age analysis shows a total figure of **R 1 billion** from 30 days to over a year excluding water and waste water management.

### 3.2.5 Expenditure On Remuneration Of Councillors, Senior Managers And Other Staff

LIM334 Ba-Phalaborwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration  R thousands	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
-	1	A	B	C						D
<b>Sub Total - Councillors</b>		17 260	19 196	19 196	1 402	8 400	9 598	(1 198)	-12%	19 196
<b>Sub Total - Senior Managers of Municipality</b>		5 966	6 868	6 868	329	2 006	3 434	(1 428)	-42%	6 868
<b>Sub Total - Other Municipal Staff</b>		173 487	216 977	216 977	16 021	92 214	108 489	(16 275)	-15%	216 977
<b>Total Parent Municipality</b>		196 714	243 041	243 041	17 752	102 620	121 520	(18 901)	-16%	243 041
<b>TOTAL MANAGERS AND STAFF</b>		179 454	223 845	223 845	16 350	94 220	111 922	(17 703)	-16%	223 845

- ❖ Remuneration of councillors as of 31 December 2025 is at 44% of the Special Adjustment Budget
- ❖ Senior Managers as of 31 December 2025 is at 29% of the Special Adjustment Budget
- ❖ Other Staff as of 31 December 2025 is at 42% of the Special Adjustment Budget.
- ❖ Overall the cost is at 42% of the Special Adjustment Budget.

#### **4. ADJUSTMENT BUDGET**

Regulation 23 of the Municipal Budget and Reporting Regulations provides, *inter alia*, for the following:

*“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year.”*

A revised Top Layer SDBIP will be submitted with the Adjustment Budget to Council by 28 February 2026 with the necessary motivation where key performance indicators require adjustment/amendment/s as a result of the Adjustment Budget.

## 5. SUPPLY CHAIN MANAGEMENT

### 5.1 TENDER ADVERTISED AND EVALUATED FROM JULY 2025 – DECEMBER 2025

TENDER NUMBER	DESCRIPTION
BPM05/25/26	Provision of short-term insurance for a period of three years
BPM24/24/25	Provision of consultancy and electrification of units (houses) at Majeje Ext 3 village Ward 03 (Turnkey)
BPM21/24/25	Land Audit for Ba-Phalaborwa Local Municipality
BPM07/25/26	Consulting Engineer/Professional Service provider and contractor for the Rehabilitation of Stormwater Culvert at Graveyard Selwane ward 18 (Turnkey)
BPM08/25/26	Consulting Engineer/Professional service provider and contractor for the rehabilitation of stormwater culvert at Derrick Nyathi Culvert in Lulekani
BPM09/25/26	Supply and installation of split meters phase 2
BPM04/25/26	Environmental Engineer/ Specialist (Auditor) to Develop a Closure and Risk Assessment Report for Namakgale Landfill Site
BPM12/24/25	Provision of consultancy for the upgrading of road from gravel to block paving from Nkateko to Pondo in Lulekani
BPM13/24/25	Provision of consultancy for installation of stormwater culvert at Shitshitwe
BPM19/24/25	Provision of Municipal Finance Management Training for a period of 12 months
BPM22/24/25	Development of Urban renewal
BPM23/24/25	Consulting Engineer/ professional service provider for construction of Ba-Phalaborwa substation
BPM20/24/25	Provision of Debt Collection Services for Ba-Phalaborwa Local Municipalities for a period of Three years (36 months)
BPM25/24/25	Rental of multifunctional printers for a period of 36 months (3 years)

## 5.2 TENDERS ADJUDICATED FROM JULY 2025 – DECEMBER 2025

TENDER NUMBER	DESCRIPTION
BPM05/25/26	Provision of short-term insurance for a period of three years
BPM24/24/25	Provision of consultancy and electrification of units (houses) at Majeje Ext 3 village Ward 03 (Turnkey)
BPM21/24/25	Land Audit for Ba-Phalaborwa Local Municipality
BPM07/25/26	Consulting Engineer/Professional Service provider and contractor for the Rehabilitation of Stormwater Culvert at Graveyard Selwane ward 18 (Turnkey)
BPM08/25/26	Consulting Engineer/Professional service provider and contractor for the rehabilitation of stormwater culvert at Derrick Nyathi Culvert in Lulekani
BPM09/25/26	Supply and installation of split meters phase 2
BPM04/25/26	Environmental Engineer/ Specialist (Auditor) to Develop a Closure and Risk Assessment Report for Namakgale Landfill Site
BPM12/24/25	Provision of consultancy for the upgrading of road from gravel to block paving from Nkateko to Pondo in Lulekani
BPM13/24/25	Provision of consultancy for installation of stormwater culvert at Shitshitwe
BPM19/24/25	Provision of Municipal Finance Management Training for a period of 12 months
BPM22/24/25	Development of Urban renewal
BPM23/24/25	Consulting Engineer/ professional service provider for construction of Ba-Phalaborwa substation
BPM20/24/25	Provision of Debt Collection Services for Ba-Phalaborwa Local Municipalities for a period of Three years (36 months)
BPM25/24/25	Rental of multifunctional printers for a period of 36 months (3 years)

### 5.3 TENDERS APPOINTED FROM JULY 2025 – DECEMBER 2025

TENDER NUMBER	DESCRIPTION	NAME OF THE SERVICE PROVIDER	AMOUNT
BPM05/25/26	Provision of short-term insurance for a period of three years	Shomang Brokers CC	Broker fee of R58 896.60
BPM24/24/25	Provision of consultancy and electrification of units (houses) at Majeje Ext 3 village Ward 03 (Turnkey)	NSK Electrical and Construction Manager	R3 851 525.01
BPM21/24/25	Land Audit for Ba-Phalaborwa Local Municipality	Ngoti Nkoana Consortium	R1 399 550.00
BPM07/25/26	Consulting Engineer/Professional Service provider and contractor for the Rehabilitation of Stormwater Culvert at Graveyard Selwane ward 18 (Turnkey)	Thashu Consulting - Morwa Jv	R4 830 048.38
BPM08/25/26	Consulting Engineer/Professional service provider and contractor for the rehabilitation of stormwater culvert at Derrick Nyathi Culvert in Lulekani	Vinlee Jv H and E Consulting Engineer	R3 994 781.54
BPM09/25/26	Supply and installation of split meters phase 2	NSK Electrical and Construction Manager	R1 805 212.50
BPM04/25/26	Environmental Engineer/ Specialist (Auditor) to Develop a Closure and Risk Assessment Report for Namakgale Landfill Site	Tshambila Env Consultant	R 497 812.00
BPM12/24/25	Provision of consultancy for the upgrading of road from gravel to block paving from Nkateko to Pondo in Lulekani	Tshashu Consulting & Projects Manager	6%
BPM13/24/25	Provision of consultancy for installation of stormwater culvert at Shishitwe	Tshashu Consulting & Projects Manager	6.20%
BPM19/24/25	Provision of Municipal Finance Management Training for a period of 12 months	Bantubanye Skills	R1 207 500.00
BPM22/24/25	Development of Urban renewal	Nkanivo Development Consultants	R1 150 000.00
BPM23/24/25	Consulting Engineer/ professional service provider for construction of Ba-Phalaborwa substation	Mogalemole Consulting Engineers	10%
BPM20/24/25	Provision of Debt Collection Services for Ba-Phalaborwa Local Municipalities for a period of Three years (36 months)	Metro J/V	9% commission base
BPM25/24/25	Rental of multifunctional printers for a period of 36 months (3 years)	Anaka Group (Pty) Ltd	R2 364 630.00

#### 5.4 DEVIATION REPORT FROM JULY 2025 – DECEMBER 2025

NAME OF THE COMPANY	DESCRIPTION	AMOUNT	REASON	DEVIATION SEC 36 OF SCM POLICY
Government Printing Works	Publication of Municipal notice for General rates and fixed date for a payment in respect of 2025/26 financial year (01 July 2025 to 30 June 2026) in the Limpopo Provincial Gazette	R36 315.80	Government Printing Works is the only entity for publishing the notices in Limpopo Provincial Gazette	(ii) If such goods or services are produced or available from a single provider only.  (v) In any other exceptional case where it is impractical or impossible to follow the official
Phalaborwa Herald (CTP)	Publication of Municipal Notices for 2024/25 Financial year (Accrual)	R68,439.67	The Municipality is required to publish the Municipal notices in a local newspaper. Phalaborwa Herald is the only local newspaper in Town.	ii) If such goods or services are produced or available from a single provider only.
Papyrus library	Annual License for Papyrus library administration system	R 15,000	The Municipality is using Papyrus library administration system; The Municipality is required to pay an annual license fee to Papyrus library to have access to the system.	(ii)if such goods or services are produced or available from a single provider only.  (v)in any other exceptional case where it is impractical or impossible to follow the official procurement processes
Total Computer Services (Pty) Ltd	TCS Annual Licence Renewal	R107 640.00	The Municipality through the Traffic and License section has outsourced the Total Computer Solutions (TCS) Software for Traffic Fines Management. The TCS company is the sole supplier of the system, and they supply the	ii) If such goods or services are produced or available from a single provider only.  (v) In any other exceptional case where it is impractical or impossible to follow the official

			Municipality with the software application and provide support wherein the Municipality only pays annual license fees.	
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## 5.5 CONTRACT REGISTER

<b><u>BA-PHALABORWA MUNICIPALITY</u></b>							
<b><u>CONTRACT REGISTER 31 DECEMBER 2025</u></b>							
<b>ITEM NO</b>	<b>PROJECT NUMBER</b>	<b>DESCRIPTION OF PROJECT</b>	<b>PROJECT START DATE</b>	<b>PROJECT END DATE</b>	<b>SERVICE PROVIDER</b>	<b>BID AMOUNT</b>	<b>ACTIVE/EXPIRED</b>
1	05/25/26	Provision of short-term insurance for a period of three years	Mar-26	Feb-29	Shomang Brokers CC	Broker fee of R58 896.60	ACTIVE
2	24/24/25	Provision of consultancy and electrification of units (houses) at Majeje Ext 3 village Ward 03 (Turnkey)	Nov-25	Jun-26	NSK Electrical and Construction Manager	R3 851 525.01	ACTIVE
3	21/24/25	Land Audit for Ba-Phalaborwa Local Municipality	Nov-25	Jun-26	Ngoti Nkoana Consortium	R1 399 550.00	ACTIVE
4	7/25/2026	Consulting Engineer/Professional Service provider and contractor for the Rehabilitation of Stormwater Culvert at Graveyard Selwane ward 18 (Turnkey)	Nov-25	Mar-26	Thashu Consulting - Morwa Jv	R4 830 048.38	ACTIVE
5	8/25/2026	Consulting Engineer/Professional service provider and contractor for the rehabilitation of stormwater culvert at Derrick Nyathi Culvert in Lulekani	Sep-25	Mar-26	Vinlee Jv H and E Consulting Engineer	R3 994 781.54	ACTIVE
6	9/25/2026	Supply and installation of split meters phase 2	Nov-25	Jun-26	NSK Electrical and Construction	R1 805 212.50	ACTIVE

**BA-PHALABORWA MUNICIPALITY**

**CONTRACT REGISTER 31 DECEMBER 2025**

ITEM NO	PROJECT NUMBER	DESCRIPTION OF PROJECT	PROJECT START DATE	PROJECT END DATE	SERVICE PROVIDER	BID AMOUNT	ACTIVE/EXPIRED
					Manager		
7	4/25/2026	Environmental Engineer/ Specialist (Auditor) to Develop a Closure and Risk Assessment Report for Namakgale Landfill Site	Nov-25	Jun-26	Tshambila Env Consultant	R 497 812.00	ACTIVE
8	12/24/2025	Provision of consultancy for the upgrading of road from gravel to block paving from Nkateko to Pondo in Lulekani	Nov-25	Jun-26	Tshashu Consulting & Projects Manager	6%	ACTIVE
9	13/24/25	Provision of consultancy for installation of stormwater culvert at Shitshitwe	Nov-25	Jun-26	Tshashu Consulting & Projects Manager	6.20%	ACTIVE
10	BPM19/24/25	Provision of Municipal Finance Management Training for a period of 12 months	Oct-25	Sep-26	Bantubanye Skills	R1 207 500.00	ACTIVE
11	BPM22/24/25	Development of Urban renewal	Sep-25	Sep-26	Nkanivo Development Consultants	R1 150 000.00	ACTIVE
12	BPM23/24/25	Consulting Engineer/ professional service provider for construction of Ba- Phalaborwa substation	Sep-25	Jun-26	Mogalemole Consulting Engineers	10%	ACTIVE
13	20/24/25	Provision of Debt Collection Services for Ba-Phalaborwa Local Municipalities for a period of Three years (36 months)	Sep-25	Aug-28	Metro J/V	9% commission base	ACTIVE
14	25/24/25	Rental of multifunctional printers for a period of 36 months (3 years)	Aug-25	Jul-28	Anaka Group (Pty) Ltd	R2 364 630.00	ACTIVE

## 6. IRREGULAR EXPENDITURE REGISTER

IRREGULAR EXPENDITURE REGISTER 31 DECEMBER 2025									
BA-PHALABORWA MUNICIPALITY									
NO	PAYEE NAME	SERVICE DESCRIPTION	DATE OF DISCOVERY	DATE REPORTED TO ACCOUNTING OFFICER	DATE OF PAYMENT	AMOUNT	DESCRIPTION OF INCIDENT	STATUS	REGULATION CONTRAVENED
									GENERAL COMMENTS
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## 7. ASSET MANAGEMENT REPORT FOR A MID-YEAR 2025/2026

### 7.1 PROPERTY PLANT & EQUIPMENT (PPE)

ASSET BARCODE	DESCRIPTION	ACQUISITION DATE	ACQUISITION COST
20381	HP Laserjet Printer E42540	2025-08-26	38,900.00
20382	HP Laserjet Printer E42540	2025-08-26	38,900.00
20383	HP Laserjet Printer E42540	2025-08-26	38,900.00
20384	Fellowers Paper Shredder	2025-08-26	37,700.00
20385	External Hard Drive 2TB	2025-08-26	3,950.00

20386	External Hard Drive 2TB	2025-08-26	3,950.00
20387	External Hard Drive 2TB	2025-08-26	3,950.00
20388	External Hard Drive 2TB	2025-08-26	3,950.00
20405	Engraving Machine Dremel	2025-07-25	5,300.00
20406	Engraving Machine Dremel	2025-07-25	5,300.00
20407	Engraving Machine Dremel	2025-07-25	5,300.00
20408	Distance Measuring Wheel	2025-07-25	4,550.00
20409	Distance Measuring Wheel	2025-07-25	4,550.00
20394	step ladder yellow 8 steps	2025-09-02	6,800.00
20393	step ladder yellow 6 step	2025-09-02	5,400.00
20395	step ladder yellow 8 step	2025-09-02	6,800.00
20396	step ladder yellow 6 step	2025-09-02	5,400.00
20397	step ladder yellow 6 step	2025-09-02	5,400.00
20398	Ergonomic High Back Chair	2025-10-10	8,500.00
20399	Ergonomic High Back Chair	2025-09-10	8,500.00
20400	Ergonomic High Back Chair	2025-09-10	8,500.00
20401	Ergonomic High Back Chair	2025-09-10	8,500.00
20402	Refrigerator KIC 170L metallic	2025-09-10	8,500.00
<b>TOTAL PURCHASES</b>			<b>R 267,500.00</b>

## 7.2 LEASE

The Municipality did not acquire any Leased Assets during the Mid-Year from July 2025 to December 2025.

## 7.3 DONATION - MOVABLE/ IMMOVABLE ASSETS

The Municipality received donations during the Mid-Year from July 2025 to December 2025.

STAND NO	NAME OF STAND	DATE	AMOUNT
RibaCorp	Road Maintenance-Pothole repairs	2025/12/02	1,000,000.00

## 7.4 STOLEN /LOST ASSETS

The municipality did not report any assets stolen or lost during the Mid-Year from July 2025 to December 2025.

## 7.5 DAMAGED ASSETS

The Municipality had the asset damaged during the Mid-Year 2025/2026 from July 2025 to December 2025.

Barcode	Asset Description	Department	Type of Damage

DZB998L	UD Truck	11/8/2025	Rear damage
CJB761L	Nisan NP300	10/7/2025	Body damage

## 7.6 INFRASTRUCTURE PROJECTS WIP (WORK-IN-PROGRESS)

**7.6.1** The Municipality's MIG Capital Projects (Work-In-Progress Infrastructure Projects) during the Mid-Year from July 2025 to December 2025

NAME OF A PROJECT	AMOUNT	RETENTION	SURETY/GUARANTEE	TOTAL	FUNDER
Upgrading of Aubrey Carwash via cemetery to Kanana from gravel to concrete	1,279,709.81	194,436.11	-	1,474,145.92	MIG
Upgrading of Aubrey Carwash via cemetery to Kanana from gravel to concrete	107,100.00	-	-	107,100.00	MIG
Upgrading of Aubrey Carwash via cemetery to Kanana from gravel to concrete	58,550.00	-	-	58,550.00	MIG
Upgrading of Aubrey Carwash via cemetery to Kanana from gravel to concrete	350,250.00	-	-	350,250.00	MIG
Upgrading of Honeyville to paved concrete interlocking bricks	2,101,919.98	233,546.66	-	2,335,466.64	MIG
Upgrading of Honeyville to paved concrete interlocking bricks	1,612,224.48	179,136.05	-	1,791,360.53	MIG
Installation of highmast lights in Ba-Phalaborwa	1,147,222.24	127,469.14	-	1,274,691.38	MIG

Installation of highmast lights in Ba-Phalaborwa	1,605,476.55	178,386.28	-	1,783,862.83	MIG
<b>TOTAL MIG PROJECTS</b>	<b>8,262,453.06</b>	<b>912,974.24</b>	<b>-</b>	<b>9,175,427.30</b>	

The Infrastructure Work-In-Progress MIG Capital Projects amounted to **R8,262,453.06**. Retention Capital Projects amounted to **R912,974.24**. The total MIG Capital Projects amounted to **R9,175,427.30**.

**7.6.2.** The Municipality report INEP Capital Projects as Contracted Services according to DORA Schedule 5B during the Mid-Year 2025/2026 from July 2025 to December 2025.

PROJECT NAME	AMOUNT	RETENTION	TOTAL	FUNDER
Construction of New Substation	281,250.00	-	281,250.00	INEP
<b>TOTAL INEP PROJECTS</b>	<b>281,250.00</b>	<b>-</b>	<b>281,250.00</b>	

The Infrastructure Work-In-Progress INEP Projects amounted to **R 281,250.00**. Retention INEP Projects amounted to **R 0.00**. The total INEP Projects amounted to **R 281,250.00**.

**7.6.3.** The Municipality report Municipal Disaster Relief Grant during the Mid-Year 2025/2026 from July 2025 to December 2025.

PROJECT NAME	AMOUNT	RETENTION	TOTAL	FUNDER
Ward 14 Derrick Nyathi bridge (Rehabilitation)	298,548.60	11,505.40	356,562.10	MDRG
Ward 03 Graveyard Selwane	709,152.97	31,877.77	852,185.35	MDRG

<b>TOTAL MDRG PROJECTS</b>	<b>1,007,701.57</b>	<b>43,383.17</b>	<b>1,208,747.45</b>
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The Infrastructure Work-In-Progress Disaster Projects amounted to **R 1,007,701.57**. Retention Disaster Projects amounted to **R 43,383.17**. Guarantee amounted & Surety Retained amounted to **R 0,00**. The total Disaster Projects amounted to **R 1,208,747.45**.

**7.6.4** The Municipality's operational projects (Work-In-Progress Infrastructure Projects) during the Mid-Year 2025/26 from July 2025 to December 2025.

PROJECT NAME	AMOUNT	RETENTION	TOTAL	FUNDER
Tambo Upgrading of street from gravel to tar phase 2	5,373,820.93	-	5,373,820.93	Own funding
Refurbishment of Namakgale Stadium	2,159,520.83	239,946.76	2,399,467.59	Own funding
Refurbishment of Namakgale Stadium	941,681.41	-	941,681.41	Own funding
Upgrading of Honeyville to Dinoko Sebera from gravel to tar	1,630,519.51	253,926.96	1,884,446.47	Own funding
<b>TOTAL INTERNAL PROJECTS</b>	<b>10,105,542.68</b>	<b>493,873.72</b>	<b>10,599,416.40</b>	

The Infrastructure Work-In-Progress Internal Funded Projects amounted to **R 10,105,542.68**. Retention Internal Funded Projects amounted to **R 493,873.72**. Guarantee amounted & Surety Retained amounted to **R 0,00**. The total Internal Funded Projects amounted to **R 10,599,416.40**.

**The Total Work-In-Progress MIG Capital Projects, INEP Capital Projects, Operational Projects and Internal Funded Projects amounted to R 20,673,346.77 for the mid-year 2025/2026.**

## 7.7. DEPRECIATION

Ba-Phalaborwa Municipality uses Straight Line method to depreciate their assets whereby the cost of the Asset is divided by the life span & multiplied by number of days used divide by 365 days.

**DEPRECIATION SUMMARY FOR A MID-YEAR FROM JULY 2025 TO DECEMBER 2025**

Movable	3,247,422.24
Building	8,372,061.70
Community Assets	7,147,563.48
Infrastructure	22,723,268.25
<b>Total</b>	<b>41,490,315.67</b>

**7.8 AMORTIZATION**

Ba-Phalaborwa Municipality uses Straight Line method to amortize the assets whereby the cost of the Asset is divided by the life span & multiplied by number of days used divide by 365 days.

# **MID-YEAR APPROVAL**

<b>Approval by the Mayor</b>	<p>In terms of Section 72(1) of the Local Government: Municipal Finance Management Act (Act 56 of 2003), the accounting officer of a Municipality must, by 25 January of each year, assess the performance of the Municipality during the first half of the financial year and submit a report on such assessment to the Mayor of the Municipality, the National Treasury and the relevant Provincial Treasury</p>
<b>Monitoring implementation of the SDBIP</b>	<p>Progress against the objectives set out in the Top Layer SDBIP will be monitored and reported on a monthly, quarterly, and annual basis.</p>
<b>Signatures</b>	<p><b>2025/26 Mid -Year Compiled by:</b></p> <p>  <u>ST Mokobi</u>  <b>Municipal Manager</b></p> <p><b>2025-26 Mid -Year Approved by</b></p> <p>  <u>Cllr MM Malatji</u>  <b>Mayor</b></p>

# Annexure A

## Methodology

The difference in the figures denoted under **5 Revenue and Expenditure Projections** by sources are due to the rounding of figures from the budget to the nearest thousands.

Note that the **Budget** figures are VAT exclusive while on the **IDP and SDBIP** is VAT inclusive.

## Technical Definitions

### AFS

AFS stands for Annual Financial Statements

### BPM

BPM stands for Ba-Phalaborwa Municipality

### BAC

Bid Adjudication Committee

### BEC

Bid Evaluation Committee

### HH

Household

### Baseline

The performance of the previous year

### Urban Areas

The urban areas refer to Phalaborwa, Namakgale, Lulekani and Gravelotte.

### Reduction in water losses

This is calculated as follows: Lepelle bill less BPM bill / Lepelle bill x 100.

### Reduction in electricity losses

This is calculated as follows: Eskom bill less BPM bill / Eskom bill x 100.

### Kilometres of roads upgrade from gravel to tar/paving

This relates 3.8km of Benfarm Upgrading of street)

### Rehabilitation

Replacement of old road surface (tar) with a new one.

**Site Establishment/ Set-up Construction Site**

Arrangement of offices, bringing the machinery and equipment onsite.

**Tourism Initiatives Activities**

**September Tourism Month** – Spring Day, Orchid Show, Heritage Day Celebration, 2 Tourism workshops and Marathon.

**Tourism Indaba** – Procurement of promotional materials

**SPLUMA – Spatial Planning Land Use Management Act 2013**

**No. SPLUMA Applications**

Number of development (land use) applications received/ applications processed in terms of SPLUMA.

**SMME- Small Medium and Micro Enterprise**

**Number of businesses supported.**