

TSANTSABANE LOCAL MUNICIPALITY



COMMITMENTS POLICY 2026/27

Subject: Commitments Policy

Date:

Council Resolution: ITEM SCM...../2026

TSANTSABANE MUNICIPALITY

COMMITMENTS POLICY

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes. A distinction is made between capital and current commitments.

Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.*
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.*
- Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of resources.*
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.*