UPHUHLISO KUMNTU WONKE

UMZIMVUBU

LOCAL MUNICIPALITY

ANNUAL REPORT 2024/2025FY

TABLE OF CONTENTS

Chapter 1: Mayor's Foreword and Executive Summary.....6

Component A: Mayor's Foreword.....6

Component B: Executive Summary.....9

Municipal Overview.....10

Municipal Functions and Population Overview.....10

1.2 Service Delivery Overview.....16

1.3 Financial Health Overview.....16

1.4 Auditor General's Report.....18

Chapter 2: Governance.....24

Component A: Political and Administrative Governance.....24

2.1 Political Governance.....24

2.2 Administrative Governance.....27

2.3 Audit Committee Report.....30

Component B: Intergovernmental Relations.....37

2.4 IGR Structures and Participation.....37

Component C: Public Accountability and Participation.....37

2.5 Public Meetings.....37

2.6 Integrated Development and Alignment.....40

Component D Corporate Governance

2.7 Risk Management.....41

2.8 Anti-Corruption and Fraud Management.....41

2.9 Municipal website.....41

2.10 Supply Chain Management.....42

2.11 Municipal Public Accounts Committee.....43

2.12 Policies/ By-Laws.....

Chapter 3: Service Delivery Performance.....60

Component A: Basic Service Delivery.....60

3.1 Electricity provision....60

3.2 Waste Management and Refuse Removal....62

3.3 Housing/Human settlement....67

3.4 Free Basic Services and Indigent Support....72

Component B: Roads....74

3.5 Roads and Storm Water drainage....74

Component C: Planning and development....82

3.6 Planning....82

3.7 Local Economic Development and Tourism....96

Component D: Community and social Services....105

3.8 Libraries and Community Facilities....105

3.9 Cemeteries....105

3.10 Special Programmes....106

Component E: Environmental Management and Signage Control....112

3.12 Pollution control, Biodiversity, Landscape and Coastal Protection....112

Component F: Safety and Security....114

3.14 Fire and Disaster Management....114

3.15 Protection services....114

3.16 Driver's License Testing Centre....121

3.17 POUND SECTION....129

Component G: Sport and Recreation....132

3.18 Sport Development....132

Component H: Corporate Policy Offices and Other Services....134

3.19 Executive and Council Structures....134

3.20 Financial Services....135

3.21 Human Resources and Skills Management....140

3.22 Information and Communication Technology Services....141

3.23 Meetings and Administration and Registry Services.....143

3.24 Employee health and well-being.....135

Component I: Annual Performance Report.....146

Chapter 4: Organisational Development Performance.....186

Component A: Introduction to Municipal Personnel.....186

4.1 Employee Totals, Turnover and Vacancies.....186

Component B: Managing the Municipal Workforce.....188

4.2 Policies.....188

4.3 Suspensions.....190

4.4 Performance Rewards.....190

Component C: Capacitating the Workforce.....203

Chapter 5: Financial Performance.....210

5.1 Statement of Financial Performance.....210

5.2 Grants.....211

5.3 Asset Management.....213

5.4 Capital Expenditure 215

5.5 Sources of Finance.....215

5.6 Capital expenditure on 5 biggest projects.....216

5.7 Basic services and infrastructure backlogs.....217

Component C: Cash Flow Management and Investment.....218

5.8 Cash flow.....218

5.9 Borrowing and Investment.....220

Component D: Other Financial Matters.....220

5.10 GRAP Compliance.....220

Chapter Six: Auditor General's Audit Findings.....220

Component A: Auditor's Opinion on the Finance Statement for Prior Year.....220

6.2 Current Year.....220

Appendices.....221

ULM Councillors and Council Attendance.....221
Municipal Committees.....229
Third Tier Management Structure.....246
Municipal Functions.....247
Ward Reporting &Ward Information 248
Capital Programme/Project..... 248
Audit Corrective Action Plan.....249
Audit Committee Recommendation.....249
Revenue Collection Performance by Source.....261
Volume 2: Annual Financial Statements.....261

CoGta EC Standardised Performance Indicators.....362

Oversight Report on the Annual Report.....489

Financial Disclosure for Councillors 384-387

Financial Disclosure for Management 388-390

UMZIMVUBU MAYORS FOREWORD

Herworship – Cllr Zukiswa Ndevu | Financial Year: 2024/2025.

It is with great pride and a deep sense of responsibility that we present this Annual Report for the 2024 / 2025 Financial Year, reflecting the collective efforts, progress, and resilience of our Municipality over the past year. This document serves not only as a record of our achievements and challenges, but as a testament to our unwavering commitment to transparency, service delivery, accountability and community empowerment. As we navigate an ever-developing landscape, we remain focused on building a sustainable, inclusive and thriving future for all the residents of Umzimvubu.

The Annual Report aims to provide a clear, comprehensive, and transparent account of the Municipality's performance over the financial year. The report communicates how public resources were planned, managed, and utilised to deliver services, implement policies, and advance the Municipality's strategic objectives. The report serves as a key tool for accountability, enabling council, residents, oversight bodies, and other stakeholders to assess whether the municipality has fulfilled its legislative mandates, achieved value for money, and delivered services effectively to the residents of Umzimvubu. By presenting accurate financial information, performance results, and explanations of challenges and corrective actions, the annual report reinforces the Municipality's commitment to responsible governance, transparency, and continuous improvement in serving the community.

The contents of this report, captures a comprehensive overview of the key initiatives that were successfully implemented in the 2024 – 2025 Financial Year, projects that were aimed at transforming and improving the livelihoods of the communities we serve. From improving our rural infrastructure, such as access roads, bridges, provision of RDP houses for the qualifying households, and advancing social programmes for promoting economic growth.

The presentation of the Annual Report is done as a legislative requirement in line with section 121 of the Local Government Municipal Finance Management Act, 2003. I would like to extend a word of gratitude to the administration of Umzimvubu Local Municipality, stakeholders through the Intergovernmental Relations platforms, for ensuring that the planned projects are fully implemented and accounted for where there were delays. We have had delays in the energising of 81 households at Ward 9 under the Emadamini Electrification Project due to vandalism that took place, the appointed contractor and Eskom have attended to the matter by conducting inspections at the affected households to ensure that they are fully energised.

To Councillors, it would not have been possible for the successes we have recorded in the 2024 – 2025 financial year without their commitment to serve and their constant oversight role played.

Part of achievements that were recorded in the 2024 – 2025 Financial Year is the attainment of a clean audit opinion a significant milestone that reflects our commitment to sound governance, financial discipline, and transparency. This achievement would not have been possible without the dedication of all staff members, whose tireless efforts have set a new benchmark for excellence. As we acknowledge this hard work, we also challenge every member of the institution to remain steadfast in upholding these standards, ensuring that this accomplishment is sustained.

In an effort to promote public participation and ensuring consultation is done to the community, the Municipality through its adopted IDP and Budget Process Plan organised various public participation engagements in a form of

community outreaches across Umzimvubu jurisdiction. Community members are encouraged to actively participate in the community engagements such as these, as they serve as vital platforms for residents to voice their concerns, share their ideas, and advocate for the services that best meet their needs.

Such participation not only empowers community members but also ensures that the services provided are responsive, inclusive and aligned with the lived realities of those meant to serve.

In closing, let us recommit ourselves to our motto: ***Uphuhliso Kumntu Wonke,*** This is not just a slogan; it is a solemn promise. A promise that no one will be left behind, that every citizen's voice matters, and that every corner of our Municipality will experience government changing their lives.

Together, let us serve with integrity, lead with compassion, and act with courage. The future we envision is within reach if we build it together.

MAYORS APPROVAL

I, Zukiswa Ndevu in my capacity as the Mayor of Umzimvubu Local Municipality (EC442), hereby approve the Annual Report for 2024-2025 Financial Year as submitted to me by the Municipal Manager.

The 2024/2025 financial year Annual Report has been compiled in accordance with the Local Government Municipal Systems Act, 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No. 11, 63. and in compliance with the stipulated requirements as documented in the Local Government: Municipal Finance Management Act No. 56 of 2003, Local Government: Municipal Planning and Performance Management Regulations of 2001, the National Treasury's Framework for Managing Program Performance Information of 2007 and Umzimvubu Local Municipality's Performance Management System's Standard Operating Procedure of 2021.

Signed at KWABHACA on this 25TH day of MARCH 2026

Cllr. Z. Ndevu

Honourable Mayor – Umzimvubu Local Municipality

Component B: Executive Summary

Municipal Manager's Foreword

The 2024/2025 financial year Annual Report has been compiled in accordance with the Local Government Municipal Systems Act, 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No. 11, 63. The report addresses the performance of Umzimvubu Municipality for the year ended 30 June 2025 and conforms to the relevant statutory requirements. This report records the progress made by the municipality in fulfilling its objectives as reflected in the Integrated Development Plan (IDP), the Budget and Service Delivery and Budget Implementation Plan (SDBIP).

Umzimvubu Local Municipality is a Category B Municipality as defined under Section 3 of the Local Government: Structures Act No. 117 of 1998. The municipality is authorized to perform the following functions: Air pollution; Building regulations; Child care facilities; Local tourism; Municipal airports; Municipal planning; Municipal public transport; Storm water; Trading regulations; Billboards and the display of advertisements in public places; Cemeteries, funeral parlous and crematoria; Cleansing; Control of public nuisance; Control of undertakings that sell liquor to the public; Facilities for the accommodation, care and burial of animals; Fencing and fences; Licensing of dogs; Licensing and control of undertakings that sell food to the public; Local amenities; Local sports facilities; Markets; Municipal abattoirs; Municipal parks and recreation; Municipal roads; Noise pollution; Pounds; Public places; Refuse removal refuse dumps and solid waste management; Street lighting; Street trading; Traffic and parking.

As Local Government, we are mandated to ensure provision of services to our respective communities in an accountable and sustainable manner in line with basic needs of our people. In striving to achieve this mandate, the municipality amongst other things has directed various services to its community. To highlight some service delivery achievements for the year 2024/2025:-

Construction and completion of four community halls: Ntutha CH, Gugwini CH, Sipilini CH and Lower Cabazana CH. Construction & completion of 4 housing units for vulnerable groups by June 2025. Road Construction: completion of 7,3km's access roads - Mpungulelweni AR 2,9kms and Tholeni AR 4.4 km's. Completion of 51,15Kms of maintained disaster affected access roads by end June 2025. Installation of electricity infrastructure in 1002 households - Bhubesini 21 h/h, Mtshikawuze 100/h/h, Ntelezini 149 h/h, Rode 68 h/h, Santombe 135 h/h, Sixhotyeni 115 h/h, Kumhlokwana 37 h/h, Emadameni 82 h/h, Langeni 50 h/h and Mpondomise 245h/h. Reconstrution of disaster affected bridges - Mqhokweni and Tyinirha bridges completed.

The municipality has the Indigent support programme which in the past financial year subsidised a total number of 6684 approved Indigent Beneficiaries.

Beneficiaries for Paraffin = 1751

Beneficiaries for Electricity =711 (50Kw)

Beneficiaries for Solar = 1386

Billing Vs Collection

The revenue amount collected for the 2024/2025financial year amounts to R54 498 5142.00 as reflected in the APR and can be attributed to Revenue Office resorted on having reconciliation sessions with Government departments regarding outstanding debt, the sessions were productive as a result the Municipality received an amount of R19 838 053 from Department of Provincial Public Works.

The municipality's cash and cash equivalent at year end is R91.1 million as opposed to the R66.3 million in the previous financial year and that shows a significant improvement.The municipality is able to meet its short term obligations and that is confirmed by the reduction of current liabilities from R108 million from preceding financial year to R88 million in the current year.

The Municipality in its IGR platform constantly engages Sector departments to present planned projects/programmes with the aim to align services planned for the community of Umzimvubu, and to avoid duplication of services. The municipality strategic positions for Managers reporting directly to the Accounting Officer were all filled except for Senior Manager: Citizens and Community Services that was vacant for the last three months of the financial year under review, but to ensure strategic guidance and functionality in the department an acting appointment was approved by Council.

The municipality obtained an unqualified without findings (Clean Audit) Opinion in 2023/2024 financial year and has maintained this opinion in the 2024/2025 financial year owing to the rigorous implementation of the Audit Improvement Action Plan. Monitoring the implementation of the Audit Improvement Action Plan had a major contribution in the improvement of the audit opinion. Operation Clean Audit Committee meetings that sat bi-weekly to iron out issued raised by the Office of the Auditor-General as well as the Internal Audit Unit also contributed much.

The Municipality is currently in a good financial state as we ensure that we plan and implement according to the approved budget. Monthly and quarterly reports on budget implementation were prepared and submitted to relevant structures to monitor financial management. In conclusion I wish to thank our honourable Mayor, Councillor Z. Ndevu for her guidance and support to our staff. I also wish to show gratitude to the Executive Committee and Council for their commitment and unwavering support to the administration of the municipality. Senior Managers, Managers and to the rest of the staff members I thank you for your selflessness and dedication to your work.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I TOBELA NOTA in my capacity as the Municipal Manager of Umzimvubu Local Municipality (EC442), hereby submit the Annual Report for 2024-2025 Financial Year for consideration and approval by the Mayor The 2024/2025 financial year Annual Report has been compiled in accordance with the Local Government Municipal Systems Act, 32 of 2000, the Local Government Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No. 11, 63., Local Government: Municipal Planning and Performance Management Regulations of 2001, the National Treasury's Framework for Managing Program Performance Information of 2007 and Umzimvubu Local Municipality's Performance Management System's Standard Operating Procedure of 2021.

Signed at. KWABHACA **on this.** 25 **day of.** MARCH **2026.**

GPT Nota
Municipal Manager

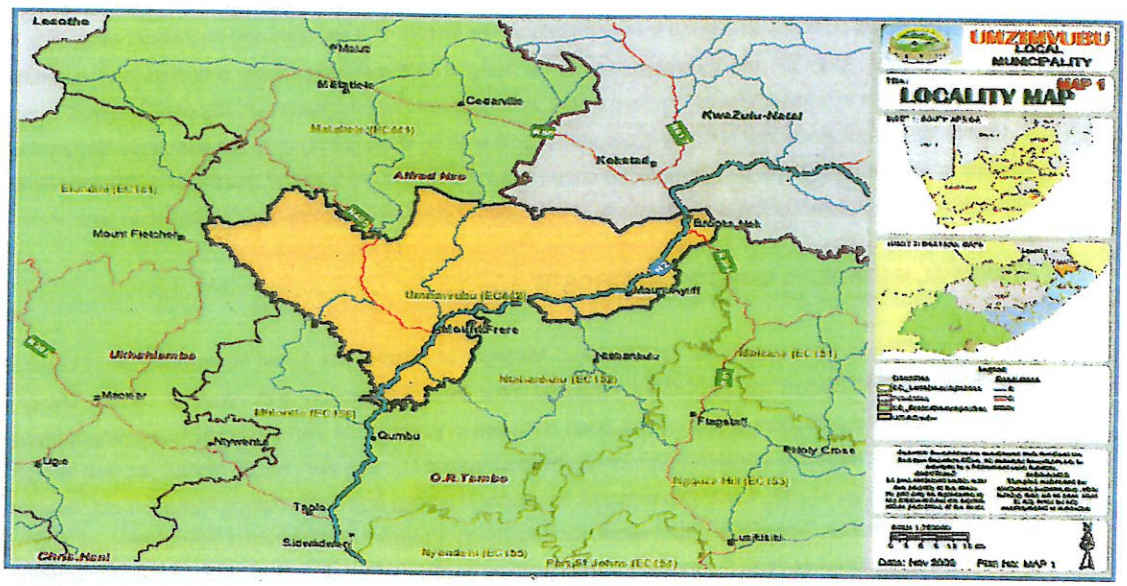
1.2. Municipal Functions and population Overview

Brief Description of the Municipal Area

Umzimvubu Local Municipality is a Category B municipality (Area: 2 506km²) situated within the Alfred Nzo District in the north-western part of the Eastern Cape Province. It adjoins KwaZulu-Natal to the north, the OR Tambo District Municipality to the south and east, and Matatiele to the west. It is one of four municipalities in the district.

The municipality is predominantly rural and the majority of the population reside in rural areas. The majority of land is covered by dispersed low-density traditional settlements, with the exception of some areas around the two urban centres. There has been a significant migration towards the towns over the years, which is attributable to a preference by residents to live close to transport routes and urban centres. Both KwaBhaca and EmaXesibeni towns contribute about 8.7% of the total population and 91.3% consist of rural population.

Map 1: Umzimvubu Locality map showing ward boundaries



Population by Municipalities under ANDM

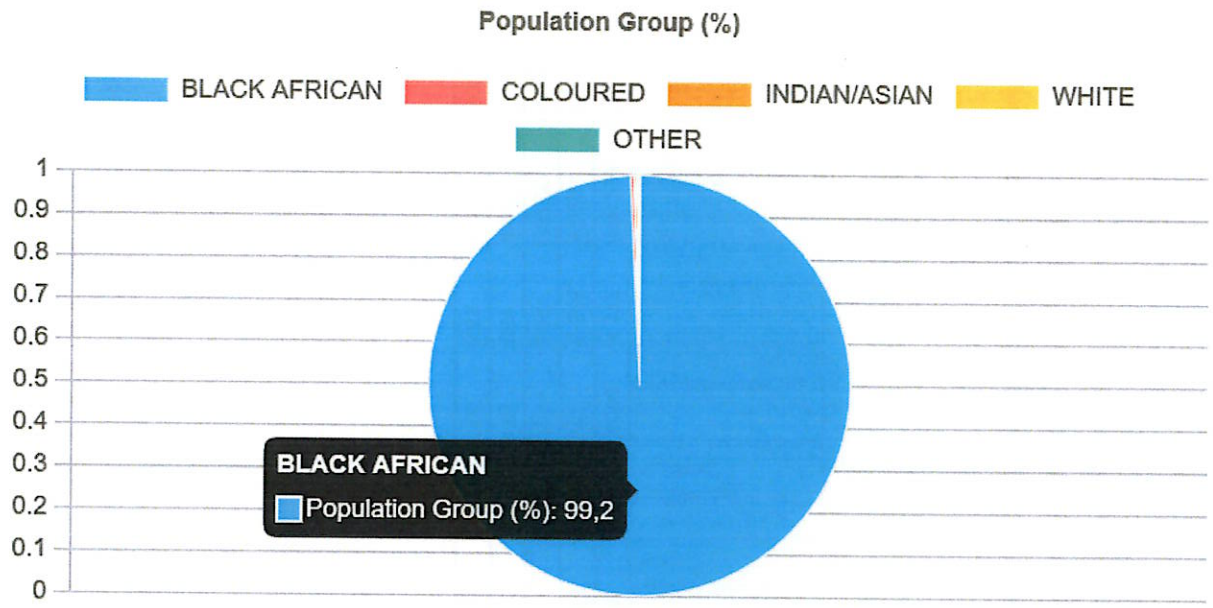
Umzimvubu Local Municipality has an estimated population of 215 000 within an area covering 2 506 km² with an estimated household average of 4, 1 persons per household (Census: 2022). Within the Alfred District, Umzimvubu has the second lowest population compared to other three municipalities under Alfred Nzo District Municipality, and it has the second lowest number of households. The table below demonstrates the total number of households, average household size and type of dwelling per municipality within the district.

Province, district and local municipality	MIIF CATEGORY	Government transfers and subsidies as a % of total revenue	Households				Type of main dwelling							
			2011		2025		2011				2025			
			Total households	Average household size	Total households	Average household size	Formal dwelling	Traditional dwelling	Informal dwelling	Other	Formal dwelling	Traditional dwelling	Informal dwelling	Other
Alfred Nzo	**C2**	**94,7%**	**169 258**	**4,7**	**198 300**	**4,7**	**69 462**	**93 611**	**2 008**	**4 177**	**140 236**	**55 483**	**1 538**	**1 043**
EC441 : Matatiele	B3	74,2%	**49 527**	4,1	**55 757**	4,0	24 594	21 410	697	2 826	42 281	12 892	401	183
EC442 : Umzimvubu	B4	82,8%	**46 931**	4,1	**51 698**	4,1	17 681	27 940	721	589	38 000	13 329	187	183
EC443 : Winnie Madikizela-Mandela	B4	80,1%	**48 446**	5,8	**62 479**	5,6	21 173	26 216	476	581	44 007	17 171	714	587
EC444 : Ntabankulu	B4	88,0%	**24 355**	5,1	**28 365**	5,2	6 014	18 045	115	181	15 948	12 092	236	89

StatsSA: 2022 Census

Total Population Distribution by race

The population of Umzimvubu municipal areas is predominantly African. African people constitute 99.8% of the population. The table below reflects the overall race breakdown of the population in the municipal area.



Population by gender

Province, district and local municipality	Government transfers and subsidies as a % of total revenue	CENSUS 2011					CENSUS 2022					Growth Rate
		Total population			School attendance (5-24 years)	Sex Ratio	Total population			School attendance (5-24 years)	Sex Ratio	
		Male	Female	Total			Male	Female	Total			
Alfred Nzo	**94,7%**	**366 488**	**434 857**	**801 344**	**308 115**	**84,3**	**439 455**	**497 006**	**936 462**	**308 763**	**88,4**	**1,5**
EC441 : Matatiele	74,2%	93 675	110 168	**203 843**	74 310	85,0	105 977	119 585	**225 562**	69 647	88,6	1,0
EC442 : Umzimvubu	82,8%	88 013	103 762	**191 775**	69 889	84,8	100 626	113 850	**214 477**	65 484	88,4	1,1
EC443 : Winnie	80,1%	128 332	153 573	**281 905**	115 157	83,6	163 889	186 111	**350 000**	124 900	88,1	2,1
EC444 : Ntabankulu	88,0%	56 467	67 354	**123 821**	48 759	83,8	68 964	77 459	**146 423**	48 732	89,0	1,6

POPULATION BY GENDER

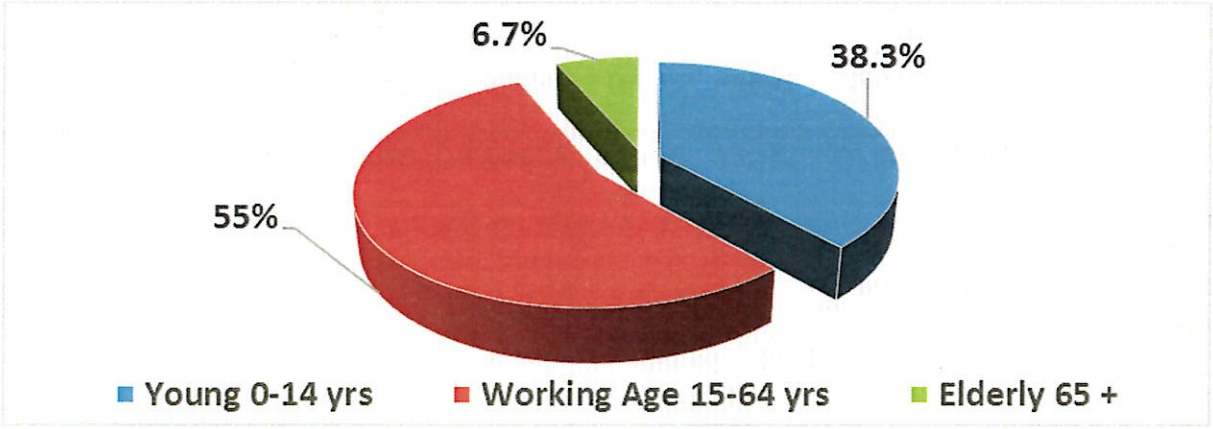
Umzimvubu Local Municipality's male/female split in population was 87.8 males per 100 females in 2022. The Umzimvubu Local Municipality has significantly more females (53.26%) than males, when compared to a typical stable population. This is most probably an area with high male out migration to look for work elsewhere. In total there were 110 000 (53.26%) females and 96 700 (46.74%) males. This is different from the Alfred Nzo District Municipality as a whole where the female population counted 488 000 which constitutes 53.75% of the total population of 936 462

Population by population group, gender and age

In 2022, the Umzimvubu Local Municipality's population consisted of 99.27% African (205 000), 0.14% White (290),

0.39% Coloured (811) and 0.19% Asian (403) people.

The largest share of population is within the babies and kids (0-14 years) age category with a total number of 71 500 o r 34.6% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 28.4%, followed by the teenagers and youth (15-24 years) age category with 39 400 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 14 200 people, as reflected in the population pyramids below.



StatsSA: 2022 Census

Working age population in Umzimvubu

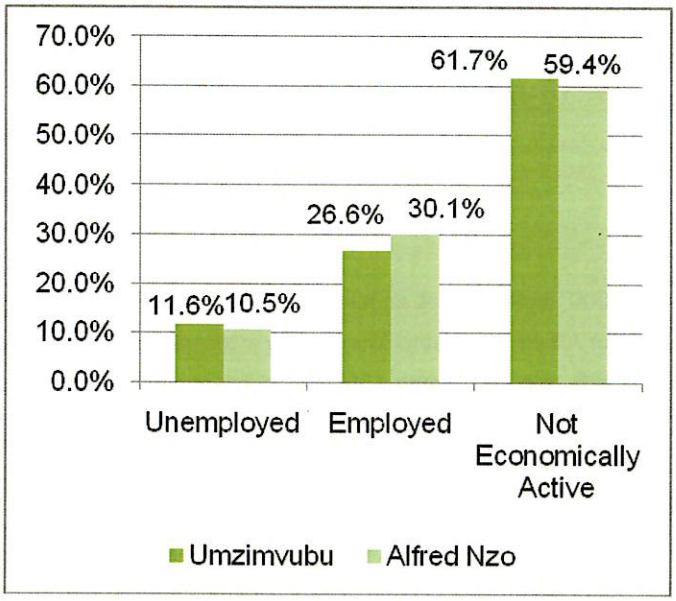
The working age population in Umzimvubu in 2025 was 121 000, increasing at an average annual rate of 0.87% since 2012. For the same period the working age population for Alfred Nzo District Municipality increased at 1.12% annually, while that of Eastern Cape Province increased at 1.18% annually. South Africa's working age population has increased annually by 1.51% from 34.5 million in 2012 to 40 million in 2025.

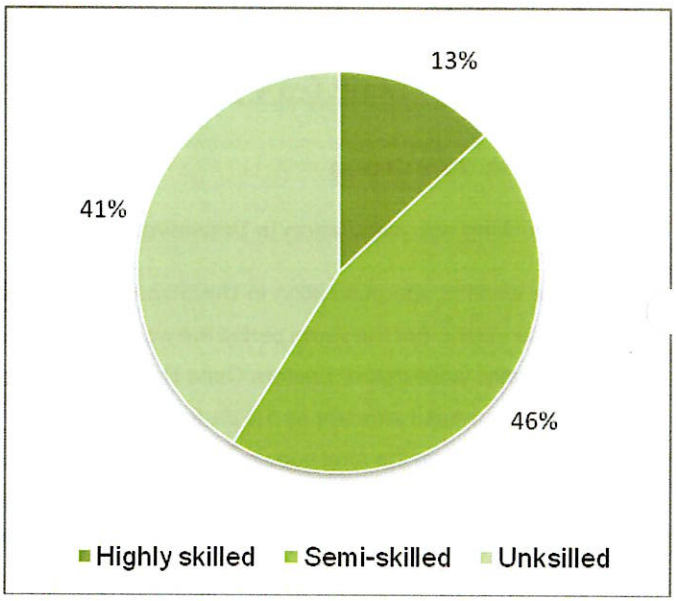
Breaking down the total population of Umzimvubu Local Municipality **(207 000)** into working age and non-working age, the number of people that are of working age is about **121 000**. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, **46.5%** are participating in the labour force, meaning **56 400 residents** of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non- economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to **64 700 people**. Out of the economically active population, there are **30 800** that are unemployed, or when expressed as a percentage, an unemployment rate of **54.5%.**

	Umzimvubu		Alfred Nzo		Eastern Cape		National Total	
	2012	2022	2012	2022	2012	2022	2012	2025
15-19	24,800	22,700	109,000	106,000	744,000	699,000	5,010,000	5,100,000
20-24	22,200	16,700	90,300	70,400	761,000	591,000	5,410,000	**4,580,000**
25-29	16,400	17,200	66,600	72,300	634,000	672,000	5,220,000	**5,210,000**
30-34	11,200	18,400	43,300	71,700	441,000	690,000	4,220,000	**5,600,000**
35-39	7,350	14,300	28,600	56,200	315,000	577,000	3,470,000	**5,220,000**
40-44	5,850	8,780	23,200	34,800	273,000	404,000	2,950,000	**4,060,000**
45-49	5,850	5,830	23,600	25,000	268,000	288,000	2,590,000	**3,240,000**
50-54	6,150	4,890	24,400	20,800	269,000	249,000	2,240,000	**2,710,000**

55-59	5,870	5,320	21,700	20,400	234,000	242,000	1,850,000	**2,340,000**
60-64	5,410	6,950	20,300	25,700	195,000	237,000	1,490,000	**1,970,000**
Total	**111,000**	**121,000**	**451,000**	**504,000**	**4,130,000**	**4,650,000**	**34,500,000**	**40,000,000**

Figure 3.4.2: Employment Levels





StatsSA: 2022 Census

Education

	Umzimvubu	Alfred Nzo	Eastern Cape	National Total	Umzimvubu as % of district municipality	Umzimvubu as % of province	Umzimvubu as % of national
No schooling	2,860	22,400	184,000	1,420,000	12.8%	1.55%	**0.20%**
Grade 0-2	2,260	11,300	82,700	415,000	20.1%	2.73%	**0.55%**
Grade 3-6	15,500	67,400	453,000	2,510,000	23.0%	3.42%	**0.62%**
Grade 7-9	32,000	120,000	969,000	5,790,000	26.8%	3.30%	**0.55%**
Grade 10-11	30,700	119,000	1,240,000	9,890,000	25.7%	2.49%	**0.31%**
Certificate / diploma without matric	216	1,210	11,800	140,000	17.8%	1.83%	**0.15%**
Matric only	19,200	76,800	1,110,000	13,400,000	25.0%	1.73%	**0.14%**
Matric certificate / diploma	5,060	18,100	249,000	2,690,000	27.9%	2.03%	**0.19%**
Matric Bachelors degree	2,240	8,940	136,000	1,790,000	25.1%	1.64%	**0.12%**
Matric Postgrad	770	2,960	53,600	909,000	26.0%	1.44%	**0.08%**

degree

EDUCATION

The number of people without any schooling in Umzimvubu Local Municipality accounts for 12.76% of the number of people without schooling in the district municipality, 1.55% of the province and 0.20% of the national. In 2025, the number of people in Umzimvubu Local Municipality with a matric only was 19,200 which is a share of 25.04% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 25.07% of the district municipality, 1.64% of the province and 0.12% of the national.

Distribution of Households by Income

	Umzimvubu	Alfred Nzo	Eastern Cape	National Total	Umzimvubu as % of district municipality	Umzimvubu as % of province	Umzimvubu as % of national
0-2400	4	15	128	1,140	24.3%	2.8%	**0.31%**
2400-6000	57	224	2,050	16,700	25.5%	2.8%	**0.34%**
6000-12000	464	1,800	15,900	122,000	25.8%	2.9%	**0.38%**
12000-18000	992	3,830	33,600	253,000	25.9%	3.0%	**0.39%**
18000-30000	4,300	16,400	137,000	991,000	26.3%	3.1%	**0.43%**
30000-42000	5,980	22,800	191,000	1,340,000	26.2%	3.1%	**0.45%**
42000-54000	5,940	22,500	187,000	1,310,000	26.5%	3.2%	**0.45%**
54000-72000	7,680	28,900	254,000	1,840,000	26.6%	3.0%	**0.42%**
72000-96000	6,870	25,500	237,000	1,840,000	26.9%	2.9%	**0.37%**
96000-132000	5,910	21,700	217,000	1,850,000	27.3%	2.7%	**0.32%**
132000-192000	5,100	18,600	204,000	1,860,000	27.5%	2.5%	**0.27%**
192000-360000	4,630	16,700	219,000	2,260,000	27.8%	2.1%	**0.20%**
360000-600000	2,170	7,900	132,000	1,550,000	27.5%	1.6%	**0.14%**
600000-1200000	1,010	3,780	92,300	1,240,000	26.8%	1.1%	**0.08%**
1200000-2400000	342	1,240	42,400	596,000	27.5%	0.8%	**0.06%**
2400000+	25	107	7,740	116,000	23.3%	0.3%	**0.02%**
Total	**51,500**	**192,000**	**1,970,000**	**17,200,000**	**26.8%**	**2.6%**	**0.30%**

Households by income category

In 2025 11.31% of all the households in the Umzimvubu Local Municipality, were living on R30,000 or less per annum. In comparison with 2012's 31.74%, the number is more than half. The 54000-72000 income category has the highest number of households with a total number of 7 680, followed by the 72000-96000 income category with 6 870 households. Only 3.6 households fall within the 0-2400 income category.

1.2. Service Delivery Overview

In the 2024/2025 financial year the municipality received a Municipal Infrastructure Grant allocation of R60 026 000; Integrated National Electrification Programme allocation of R30 000 000 To highlight some achievements for the year 2024/2025:-

Construction and completion of four community halls: Ntutha CH, Gugwini CH, Sipilini CH and Lower Cabazana CH. Construction & completion of 4 housing units for vulnerable groups by June 2025. Road Construction: completion of 7,47km's access roads - Mpungulelweni AR 3,07kms and Tholeni AR 4.4 km's. Completion of 49,8Kms of maintained disaster affected access roads by end June 2025. Installation of electricity infrastructure in 1002 households - Bhubesini 21 h/h, Mtshikawuze 100/h/h, Ntelezini 149 h/h, Rode 68 h/h, Santombe 135 h/h, Sixhotyeni 115 h/h, Kumhlokwana 37 h/h, Emadameni 82 h/h, Langeni 50 h/h and Mpondomise 245h/h. Reconstrution of disaster affected bridges - Mqhokweni and Tyinirha bridges completed.

The municipality has the Indigent support programme which in the past financial year subsidised a total number of 6684 approved Indigent Beneficiaries.

Beneficiaries for Paraffin = 1745

Beneficiaries for Electricity= 1126 (50Kw)

Beneficiaries for Solar = 1386

1.3. Financial Health Overview

The municipality's cash and cash equivalent at year end is R91.1 million as opposed to the R66.3 million in the previous financial year and that shows a significant improvement.

The municipality is able to meet its short term obligations and that is confirmed by the reduction of current liabilities from R108 million from preceding financial year to R88 million in the current year.

The Capital Replacement Reserves increased from R36.7 million to R40.3 million and that will enable the institution to fund infrastructure projects to improve service delivery.

The total value of Net Assets increased from R1.053 billion to R1.132 billion in the 2024/25 financial year.

Revenue Trends of the Municipality

The billing for property rates increased from R46.5 million to R64.6 million with a collection percentage of 89% and refuse removal increased from R1.2 million to R1.3 million with a collection percentage of 88%

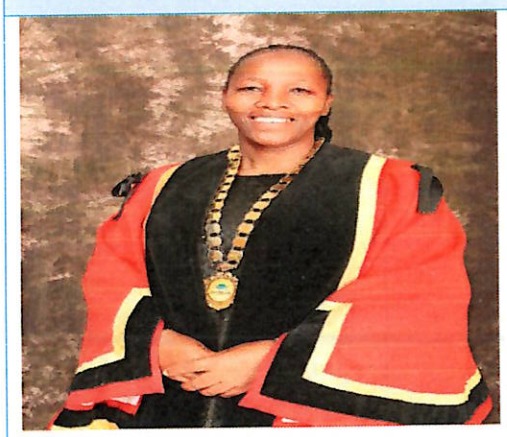
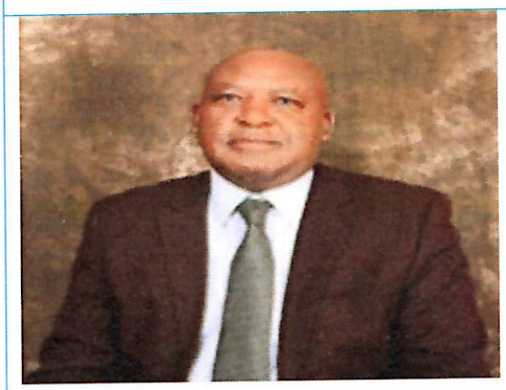
CHAPTER 2

GOVERNANCE

Component A: Political and Administration governance

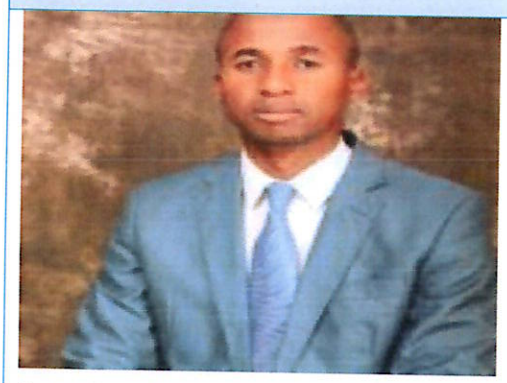
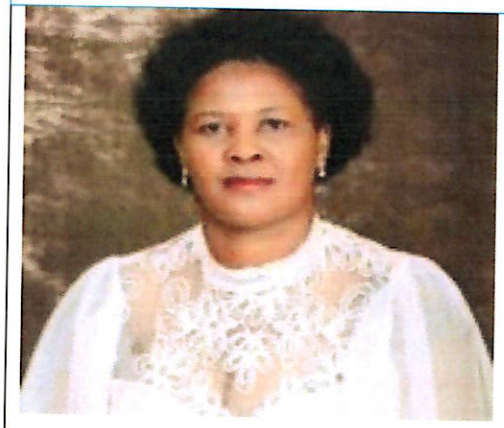
2.1. Political Governance

Municipality is governed by council which has mandated the Executive committee to exercise oversight over the administration as well as the Speaker and the Chief whip overseeing constituency work.

Name of Councillor	Portfolio	Committee
 **Councillor Z. Ndevu**	Hon Mayor	Chairperson of Executive Committee
 **Councillor N. Mdzinwa**	Hon. Council Speaker	Chairperson of the Council
	Chief Whip	Council Chief Whip

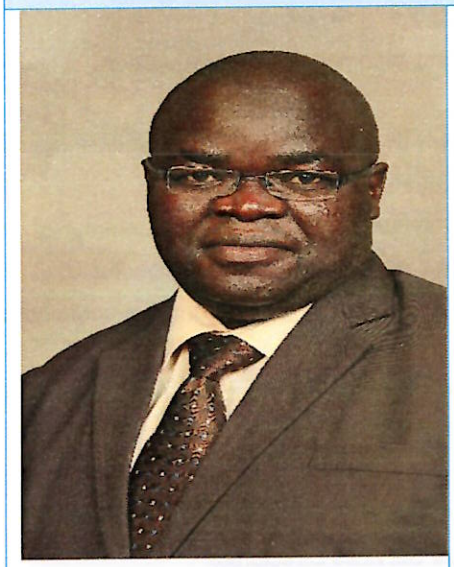
Name of Councillor	Portfolio	Committee
Councillor F. Ngonyolo **Councillor N.L Nkula**	Chairperson	Budget and Treasury
 Councillor N.A Garane	Chairperson	Infrastructure and Planning
 Councillor X.G Jona	Chairperson	Local Economic Development

Name of Councillor	Portfolio	Committee
Councillor I. Nodali	Chairperson	Corporate Services
Councillor N. Sonyabashe	Chairperson	Citizens & Community Services
Councillor T. Sokhanyile	Chairperson	Special Programmes & Communications

Name of Councillor	Portfolio	Committee
 **Councillor M. Magobane**		Executive Committee Member
 **Councillor N.C Mnyayiza**		Executive Committee Member
Councillor N.V Nomnganga		Executive Committee Member

2.2. Administrative Governance

At high level the municipality has seven directorates each managed by a Senior Manager

Heads of Departments including Municipal Manager	
 **Municipal Manager: Mr. G.P.T. Nota**	Head of Administration and as accounting officer, takes responsibility of the overall performance of the organization, including: the transformation of the organization to one that is developmentally focused; The development of an economical, effective, efficient and accountable administration equipped to carry out the task of implementing the municipality's Integrated Development Plan, operating in accordance with the Municipality's Performance Management System, responsive to the needs of the local community to participate in the affairs of the municipality; Implementation of the Municipality's Integrated Development Plan and monitoring the progress with regard to implementing the plan; Administering and implementing the Municipality's by-laws and other legislation; Advising the political structure and political office bearers of the Municipality; Rendering support to the office of the Mayor, Speaker and the Office of the Chief Whip.
 Chief Finance Officer: Mr. K. Mehlomakhulu	Manages budget and treasury department Implements integrated development plan and strategic goals of the budget and treasury Provides support and advice to the Council and municipal manager Implements service delivery budget implementation plan Prepares and implement municipal budget Prepares annual financial statements and other legislative financial management reports Performs duties and functions delegated to CFO by the Finance Management Act Manage efficient provision of municipal service Establish, operate and maintain the support structures, processes and systems Leads and directs staff in the department to ensure that they meet the objectives in line with the municipality's requirements and resources.

 Citizens & Community Services Senior Manager: Dr. K. Tshazi	Ensures the development of appropriate Strategies, Policies and plans for all relevant areas Directs the implementation of specific procedures, systems and controls associated with key functional areas embodied in the Community Services departmental Structure Provides Strategic leadership and planning for the department, Community development Management Responsible for public safety, which amongst other things includes traffic management, security management and Law Enforcement. Responsible Management of Community Facilities e.g. Community Halls, Cemeteries, Sports Fields, Libraries, and other Municipal properties. Responsible for environmental management in general and the coordination of disaster management. Coordinates and Monitors development of Sports , Arts and Cultural Programmes and development of social programmes Alignment , creating awareness, capacity and relationship management in all stakeholder forums
 Corporate Services Senior Manager: Mrs. N. Kubone	Leading and directing the corporate Services Directorate Ensures the Municipality is provided with an effective support services regarding corporate administration, human resources and information technology services Manages corporate administration functions which relate to the provision of record managements Managing the directorates budget planning, implementation and budget review to support priorities and deliveries in the context of IDP Advising the Municipal Manager timeously and effectively on matters pertaining the Directorate Provides visionary and innovative leadership to diverse workforce, to ensure optimal utilisation of the Council's resources in terms of implementing its strategic objectives articulated in the IDP and in the fulfilment of its legislative mandate Manages Human Resource portfolio in accordance with labour legislation and collective agreement

 Local Economic Development Senior Manager: Mr. A. Makanda	Develops, co-ordinate and manage the operations of the planning and Development department, Local Economic Development and Tourism sub-sections Develops methodologies and approaches to guide specific urban design investigations and research processes Manages developmental project management processes associated with scoping, resourcing, implementation, monitoring and communication Manages the IDP implementation and review process, advise the Municipal Manager on planning and development matters Prepares reports on the activities of the component, as and when required to do so.
 Infrastructure & Planning Senior Manager: Mr. L.J. Moleko	Manages complex civil infrastructure project from conceptualization, design, contract management, quality assurance and compliance, and ensure their proper integration to the local municipality's overall plan (IDP) Performs financial monitoring through commissioning, operations and maintenance to ensure effective and efficient functioning of the department within the budgetary constraints of the municipality Provides professional advisory services to the municipality Manages all the department's contracts and tenders according to the approval of SLAs, council requirements , ensuring adherence to the SLAs, terms of reference, letter of appointment and contracted project time lines as per specification Ensures that projects reflecting to IDP are registered in accordance with CIDB requirements
	Coordination of municipal events Enhancing public participation To bridge the information gap To profile and market the municipality Prepares reports on the activities of the component, as and when required to do so. Manages the IDP implementation and review process.

Special Programmes & Communications Senior Manager: Ms. N. Zembe	

2.3. Audit Performance

As provided for in terms of section 166(2) of the MFMA, the municipality had an audit committee established to address matters relating to the municipality. These matters include amongst others the following:

- Governance; Ethics; and policies and procedures
- Assessment of the effectiveness of Internal Controls;
- Performance management
- Risk Management

Effectiveness of Internal and External Auditors

The Council appointed three independent members. Audit Committee is functional with 3 independent members selected from different areas of expertise to enhance the audit committee's overall knowledge of the municipality or entity and the ability to discharge its obligations and provide appropriate recommendations to the council.

Umzimvubu local municipality Audit Committee members acquired the following skills:

- Financial Management
- Legal
- Admin and Governance (i.e. Internal Audit, Risk Management, IT, Human Resources, Planning etc.
- Performance Management

Audit Committee terms of reference was adopted by Council and Audit committee is executing their responsibilities as set in the approved Audit Committee Charter.

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE PERIOD 01 JULY 2024 TO 30 JUNE 2025

AUDIT COMMITTEE CHAIRPERSON'S REPORT/25 FINANCIAL YEAR

05 January 2026

Prepared by

Promise Lindokuhle Buthelezi Audit Committee Chairperson

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE PERIOD 01 JULY 2024 TO 30 JUNE 2025

AUDIT COMMITTEE REPORT

The Audit Committee of the Municipality has pleasure in submitting its Annual Report to the Council for the year 2024/2025. This report is submitted in terms of the provisions of sections 121(3) (j), 166(2) (b) and (c) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the financial period from 1 July 2024 to 30 June 2025.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consisted of the members listed here under during the period and meets as a minimum, four times a year as per paragraph 7.7 of the approved Audit Committee Charter. The composition of the committee was as follows during the financial year under review:

Name of Member	Number of Meetings Attended
Mr PL Buthelezi (Chairperson)	5
Ms L Sonqishe	5
Mr S Simelane	4

OVERVIEW OF ACTIVITIES

The Committee held 5 meetings during the year on the following dates:

	MEETING DATE	MEETING	COMMENTS
1.	20 August 2024	Scheduled meeting	All AC members were present.
2.	27 August 2024	Special meeting	All AC members were present.
3.	19 November 2024	Scheduled meeting	Two AC members were present.
4.	19 February 2025	Scheduled meeting	All AC members were present.
5.	13 May 2025	Scheduled meeting	All AC members were present.

The Audit Committee chairperson has also submitted third quarter report for Council consideration on the activities of the committee.

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee has complied with its responsibilities arising from section 166 of the MFMA and clause 14(2) (a) of the Municipal Planning and Performance Management Regulations of 2001. The Audit Committees' work was guided and regulated by an Audit Committee Charter and discharged all its responsibility as contained therein. The Audit Committee's work was also guided by its work programme that it adopted during the year.

INTERNAL AUDIT INSTITUTIONAL ARRANGEMENT

The Internal Audit Charter as adopted by the Audit Committee regulates the work of the Internal Audit.

In terms of S165 (1) of the MFMA each municipality is required to have an internal audit function. S165 (3) allows the municipality to co-source the internal audit function if the municipality requires assistance to develop its internal capacity. The internal audit was assisted by co-sourced resources during the year.

The Annual Audit coverage plan was submitted to the Audit Committee on **28 June 2024** and was approved accordingly.

The internal audit completed all planned projects as per table below. In addition, one ad hoc project was undertaken and completed by internal audit.

#	AUDIT PROJECTS	Status	ADEQUACY	EFFECTIVENESS
1.	Annual Financial Statements Review (2023/24)	Completed	N/a	N/a
2	Annual Performance Information (2023/24)	Completed	Adequate	Partially effective
3	Information Technology General Controls	Completed	Adequate	Partially effective
4	Risk Management Processes	Completed	Adequate	Partially effective
5	Implementation of Cost Containment Measures	Completed	Inadequate	Ineffective
6	Review of Individual Performance Management	Completed	Inadequate	Ineffective
7	Waste Management Audit	Completed	Inadequate	Ineffective
6	MSCOA Implementation Review	Completed	Adequate	Partially effective
7	Review of 2024/25 Adjusted SDBIP	Completed	Adequate	Effective
8	Review of Draft 2023/24 Annual Report	Completed	Adequate	Effective
9.	Performance Management System		Adequate	Partially effective
10	Cyber Security Internal & External Vulnerability Assessment	Completed	Inadequate	Ineffective
11	Human Resource Management Audit	Completed	Adequate	Partially Effective
12	Status of Records Audit	Completed	Adequate	Partially Effective
13	Budget Process Audit	Completed	Adequate	Partially Effective
14	Purchases and Payables	Completed	Adequate	Partially Effective
15	Contracts Management	Completed	Adequate	Partially Effective
16	Revenue Management	Completed	Inadequate	Ineffective
17	Asset Management	Completed	Partially Adequate	Partially Effective
18	Division of Revenue (Grants audit)	Completed	Adequate	Effective
19	2025/26 SDBIP Review	Completed	Adequate	Effective
20	Internal Audit Follow-up and Auditor General Action Plan	Completed	N/A	N/A

All planned assurance projects as per the Approved 2024/25 Risk-based Internal Audit plan were conducted and reports were tabled to Audit Committee for approval and adopted. The Audit Committee adopted all the reports of the internal audit with recommendations to be implemented by management.

INTERNAL AUDIT FUNCTION

During the financial year internal audit reports with management comments were presented to the Audit and performance Committee meetings. Issues raised were deliberated and recommendations made including recommendation regarding the issues raised by the Auditor-General South Africa (AGSA).

The Manager: internal Audit (CAE) and Auditor-General had direct access to the audit committee, primarily through its Chairperson.

SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to provide reasonable assurance that the assets are safeguarded and the liabilities and working capital are effectively and efficiently managed and they remain a management responsibility.

The internal audit reports in all the areas audited during the financial year under review indicated that there were some weaknesses in the system of internal control due to a number of reasons including inadequate policies and lack of implementation of designed internal controls. Majority of these weaknesses were however addressed during the reporting of both financial and performance information.

Based on the above, Audit committee's conclusion on the overall control environment is that control design is adequate and implementation is effective. However, implementation requires improvement to ensure effectiveness of controls. Greater emphasis however needs to be put on areas highlighted above which require controls redesign/ improvement.

RISK MANAGEMENT

Risk management is formalized within the municipality through the establishment of various structures (i.e. Risk Management Committee) in line with MFMA and treasury guidelines. The Committee was also effectively chaired by an independent/ external chairperson.

The Audit Committee has been monitoring the risks identified including the strategic risks. The good progress by management in addressing risks as per the approved risk register was noted during the year.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The Audit Committee reviewed the annual financial statements for the 2024/2025 financial year that were submitted to Auditor-General for audit. These financial

statements were approved for submission to the Auditor-General in line with the requirements of the MFMA.

PERFORMANCE MANAGEMENT

The Committee reviewed and considered the quarterly reports by management. In addition, the Audit Committee considered the annual performance report for the financial year 2024-25 and the annual performance report was approved for submission to the Auditor-General.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The Audit Committee noted the findings of the internal audit on ICT controls including cyber security report. There were governance related issues and technical/ fundamental issues which were identified during vulnerability assessment of the Municipality's systems. Major vulnerabilities identified were due to outdated ICT network, management has made commitments to address the findings raised.

GOVERNANCE

The municipality is fully committed to good governance, and this is evidenced by the continuous improvement in the control environment especially with respect to asset management.

COMPLIANCE WITH LAWS AND REGULATIONS

The Audit Committee has reviewed the effectiveness of the system for monitoring compliance with laws and regulations. The Audit committee is satisfied that the system for monitoring compliance with laws and regulations is effective.

EXTERNAL AUDIT BY AUDITOR-GENERAL SOUTH AFRICA (AGSA)

The Audit Committee reviewed the AGSA's audit plan to ensure the critical risk areas are being addressed. In addition, the committee has been monitoring the action plan with respect to the matters raised by the Auditor-General during the previous year's audit.

As far as the Audit Committee is aware, there are no concerns with respect to independence of AGSA and the Audit Committee is happy with the quality of the external audit.

The Audit Committee concurs with **unqualified audit opinion** received from the AGSA and we wish to congratulate the Municipality that there were no material issues of non-compliance which is a great improvement from the previous years.

ANTI- FRAUD AND CORRUPTION

The Audit Committee has been monitoring the implementation and application of appropriate fraud risk response strategies designed by management to prevent and detect fraud.

The municipality had Financial Misconduct Board in place that was established in terms of the MFMA regulations and this board provides guidance to the municipality on the steps to be taken regarding financial misconduct cases. The board has Audit Committee representative in line with the MFMA regulations.

CONCLUSION

The Committee will continue to monitor progress being made by the municipality in improving overall governance, systems of internal control, risk management and performance management. In addition, the Audit Committee concurs and accepts the conclusions of both the Internal Audit and the Auditor-General on the matters they have raised during their audits.

The Committee wishes to express its sincere appreciation to the Accounting Officer, Senior Management, MPAC, Portfolio Committees, Executive Committee, Council and staff for their cooperation and support.

Chairperson: Audit Committee

Mr Promise Lindokuhle Buthelezi CA (SA), CIA

Component B: Intergovernmental Relations

2.4 IGR Structures and Participation

The Municipality participates in District IGR structures, even though they are fully operational at this stage. These structures are composed of the Technical Task Group and District Managers Forum. The ULM uses IDP Steering committee as the platform for integovernmental relation structure.

The reason for this is to ensure that sector departments are involved during the planning processes of the IDP. The IGR structures should be mainly utilized to solve problems affecting service delivery as well as shared priorities for development. This process is hampered by the inconsistency of member department's representation to the structures and the attendance of these fora by people who do not have decision making capacity and impact on budgeting processes. This negatively affects integration. It should be noted though that there are departments which are committed to the process while others are never form part of the IGR structures. This then leads to disintegrated service delivery or undermines integrated development. IGR structures also do form part of processes that review spatial frameworks. Service level agreements are being entered into where services are to be provided collaboratively by different departments. The municipality has developed an IGR Framework policy with clear terms of reference emanating from the 2005 Intergovernmental Relations Framework Act for its IGR operations.

Partnerships and Strategic Relationships

Umzimvubu has recognized the potential of strategic partnerships to develop its capacity. The Municipality is in process of concluding a partnership agreement with Ekurhuleni Metro. The Municipality also benefits from strategic partnerships concluded by the Alfred Nzo District Municipality.

District Development Model (One Plan)

The purpose of enhancing cooperative governance through a new district coordination model is to improve the coherence and spatial targeting impact of all three spheres of government working together in unison.

This unison is achieved when there is a common appreciation and understanding by all three spheres of government of the service delivery and development dynamics, challenges and opportunities in various communities calibrated for practical purposes at a district/metropolitan spatial scale.

The district scale enables national and provincial government to have sufficient consideration of local conditions and contexts so that policies, plans, programmes and projects can be made more responsive to the needs of localities and communities. It also enables municipalities to articulate the strategic support and unlocking required by national and provincial government to improve prioritization, spatial alignment of investment, and implementation. The One Plan will be strategic and Long-Term in nature expressing the commonly agreed diagnostics, strategies and actions which will be broken down to annual operation plans and a ten-year implementation plan so as to enhance service delivery and development within Alfred Nzo District Municipality space.

Each sphere and sector department will have to elaborate in more detail their own plans and actions within the scope of their mandated powers and functions to give effect to the One Plan as well as execution of their functions. Budgets, including conditional grants and equitable share, need to be allocated to the extent that spheres and departments execute the Long-Term Plan commitments.

The objectives and focus of the Long-Term Plans will be on:

i) Managing urbanisation, growth and development;
ii) Determining and/or supporting local economic drivers;
iii) Determining and managing spatial form, land release and land development;
iv) Determining infrastructure investment requirements and ensure long-term infrastructure adequacy to support integrated human settlements, economic activity and provision of basic services, community and social services:
    - Ensuring social and affordable housing provision to meet needs across range of income groups; and
    - Ensuring long-term security of water, energy, food, land and air quality for the people.
v) Institutionalize long term planning whilst addressing 'burning' short term issues

The content of the Plans will elaborate the key transformation processes required to achieve long-term strategic goals and a desired future within Alfred Nzo District Municipality space.

Component C: Public Accountability and Participation

2.5. Public Meetings

IDP & BUDGET ROAD SHOWS

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
Day 1 – 14th October 2024	*1*	Cllr. M. Kiviet	Cllr. N. Nomnganga	The community is facing a challenge of waste management, the trucks from different places come and tip rubble in their ward in brooksnek. The community is not happy with the process for the construction of 500 brooksnek housing.	ANDM & Human Settlements

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
	2	Cllr. N. Hlanekela	Cllr. L. Nkula	Mnambithi Donga Rehabilitation were not paid and the constructor left the site. They also have a problem of the projects that's were left incomplete by Human settlement where there are slabs. Lubaleko Springs are not functioning.	Human Settlement & ULM
	3	Cllr. AP Mkhonto	Cllr. Garane	Gugwini pipe was damaged during road construction and the meeting request culverts to replace the pipe	ULM
	4	Cllr. Lindiswa Mapala-Bera	Cllr. N. Mnyayiza	None	
	5	Cllr. Thobilizwe Ngxabi	Cllr. Mdzinwa	Network tower in Dambeni never works, Unavailability of Senior Manager Infrastructure when needs its more than a year now.	ULM &
	6	Cllr. V. Gogela	Cllr. Ngonyolo	The Community Does Not have access to Water ,in Gobozi and Cibane there is no water ,they Request Water Schemes,Sisulwini water Schemes is not working ,the operator does not attend to issues and meetings ,additional water taps are required. The community request an assessment of a bridge in Mqhokweni	ANDM AND ULM
	7	Cllr. N. Xolo	Cllr. Nodali	High Masts in Santombe are not working they need maintenance. Grow high in Santombe community request Support and site.	ULM
	12	Cllr. P. Magujulwa	Cllr. Mnyaiza	Unrequested households during the implementation of ward 12 detritions, 3 households they do not have electricity. Damaged electricity box key pads in Ntibane ,Tyeni villages.	ESKOM,ULM ANDM

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
				Incomplete Construction of Nophoyi Sport Field. Incomplete construction of Ntibane Water Supply Scheme. Delay of response from disaster department.	
	26	Cllr. M. Tuku	Cllr. Ndevu	None	
Day 2 15th October 2024	8	Cllr. Des Ndema	Cllr. Nkula	None	ULM
	9	Cllr. A. Jakuja	Cllr. Ngonyolo	The community Report of Mnceba Scheme that do not provide water in the surroundings of the ward	ANDM
	10	Cllr. W.Nqakwana	Cllr. Jona	The main challenge was the electrification of Diana and Nciniba	ULM
	11	Cllr. N Gogela	Cllr. Mataka	Water Challenges across the Ward. the Community ask the Team leader to be changed because he is Old.	ANDM & ULM
	13	Cllr. CL Noqhakala	Cllr. Sokanyile	The is a challenge of water Schemes in the ward that are not functioning	ANDM
	28	Cllr. L. Mveku	Cllr Ndevu	Chithwa sewerage deposited into the river. Potholes not attended to. the issue of alternative entrance be considered. 3 high mass not connected	ULM
Day 3 16th October 2024	14	Cllr. S. Mathebe	Cllr. Nodali	Niona ABC AR was maintained but it was never Completed as per the expectation of the project steering committee and the community members. MT Horeb School needed to be urgently upgraded because its condition is seriously deteriorating.	ULM & Education

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
	15	Cllr. M.Ngwaqa	Cllr. Ngonyolo	None	
	16	Cllr. B. Khehla-Salukazana	Cllr. Sokhanyile	Water tanks at Sipilini not working. Re open of borehole in Bobobane for water Supply. Water Tanks at Nkulisa not supplying water.	ANDM
	17	Cllr. N. Jwara	Cllr. Mdzinwa	The community has an issue with overflowing sewer which is not being attended to by ANDM. ANDM has not yet provided water services to all the villages as promised in all the IDPs.	ANDM
	18	Cllr. T. Sincindi	Cllr. Ndevu	Municipality is silent on the Tax/Bus rank issue. Nothing is said about the 15% portion of MIG Funding towards Badibanise Stadium. Hardwares not moved from town yet	ULM,Public Works & Dept of Transport
	19	Cllr. V.B. Sobhayi	Cllr. Garane	None	
	20	Cllr. X. Lungu	Cllr. Sokhanyile	ADHOC Plant it was divided by the community that it only maintained one village, the community wanted to know is it a scope of work from the Municipality. The community asked if Dangwana Clinic cannot be changed Health Care Centre as they close early. Wifi Pole in Lucingweni,Cabane,Sibangweni &Mpemba had requested ,they have not receive any response. Request Municipality to Fence their grave yard.	ULM ,Dept of Health
Day 4 – 17 October 2024	21	Cllr. N. Nomnganga	Cllr. Garane	Residence were concerned about sanitation that was never done for the past 20 years. Mhlanganiweni has only one Tap for the whole Village.	ANDM

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
	22	Cllr. M. Kakaza	Cllr. Nkula	Four households in Njijini were left out during the installation of Solar. the community request Ngqabavane water operator. Bangweni Bridge Maintenance needs to be attended to ugently.	ANDM & ULM
	23	Cllr. Z. Mampemvini	Cllr. Mataka	ANDM did not attend the IDP they sent officials whereby the community could not engage with them, most of the questions ask they don't know the answers.	ANDM
	24	Cllr. M. Jonase	Cllr. Mnyayiza	The community of Singqushweni have a challenge of Road, even the ambulance can not reach the community. The is no water in all villages. There is no School Transport for Tshisane to Luyengweni	ANDM,ULM &Education
	25	Cllr. N.Giwu	Cllr. Jona	Majority of people they do not have Identity Documents. Speed humps to all access roads in ward 25.Ngojini access roads pipe are blocked.	SASSA& ULM
	27	Cllr. S.Faye	Cllr. Nodali	None	

2.6. IDP participation and Alignment

	Criteria	N/Y	Comments
1	Does the Municipality have Impact, outcome, input Indicators	Yes	Municipality doesn't have Impact Indicators
2.	Does the IDP have Priorities , objectives, KPIs and Development Strategies	Yes	
3.	Does the IDP have Multi Year targets	Yes	
4.	Are the above aligned and calculate into a score	Yes	
5.	Does the budget align directly to the KPIs in the IDP	Yes	
6.	Do IDP KPI's align to Section 57 managers contracts	Yes	
7.	Do KPIs lead to the functional area KPIs as the SDBIP	Yes	
8.	Do the IDP KPIs align with Provincial KPIs on 12 outcome particularly outcome 9	Yes	
9	Were the Indicators communicated with the public	Yes	
10	Were the quarterly reports submitted to Council at stipulated time frames	Yes	

Component D: Corporate Governance

2.7. Risk Management

The Council has assigned the risk management function to Internal Audit Unit. The risk management is properly managed by Internal Audit Unit. There was range of activities which were conducted by the Internal Audit Unit including the Municipal Wide Risk Assessment, Risk Awareness, Risk Register and etc. The risk assessment is conducted on an annual basis and the risk registers are updated on a regular basis as and when the need arises. Implementation of risk mitigation plans is monitored on monthly basis and reported to Management Committee, Quarterly to Audit &n Performance Management Committee and Council. The Risk Management Strategy is available and is being reviewed by the Council on an annual basis.

The Accounting Officer has committed Umzimvubu Local Municipality to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Municipal Finance Management Act, no 56 of 2003, Section 62(1)(c)(i) of the MFMA that requires the Accounting Officer of a Municipality to maintains effective, efficient, and transparent system of finance, risk management and internal control.

Risk management is very important for Umzimvubu Local Municipality to ensure sustainable service delivery project reputation and maintain public trust. The goal is to ensure the achievement of strategic objectives as well as the sustained benefit within each activity and across the portfolio of activities. Risk Management is therefore recognized as an integral part of sound organizational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

Risk management activities comprises of all the risk management activities that took place in the period under review. Risk management monitoring the risk s are monitored of both strategic and operational levels. The Strategic risk register consist of 12 strategic risks and 7 Fraud risks that were identified by management during the risk assessment workshop conducted in April 2024 in preparation 2024/2025 financial year. The table below depicts the top 5 risks from the strategic and fraud risk registers

The Municipality's Risk Profile: Below are the risks as per the municipality's risk profile for 2024/2025

Strategic Risk

Strategic Risk	Action Plan	% Implementation
Financial sustainability	1. Implementation of debt collection on households & businesses 2. Implementation and Reporting on the approved Revenue Enhancement Investment Strategy .3. Reduction of expenditure (Catering costs, Conference, S & T and Non-essential traveling on municipal fleet, non-statutory events and consider procurement of municipal marques and sound system)	100%

	4. All HOD's to report on MANCO, ECXO and Council on amount of savings for each cost driver 5. Audit on implementation of Cost containment measures	
Fraud and corruption	1. Continuous Training and Awareness on Fraud and Ethics 2. Finalisation Long outstanding cases	100%
None-compliance with applicable laws, regulations, legislations, and Reporting frameworks	1.Compliance officer (MOMM) to report on changes & new laws, regulations and circulars issued by COGTA and Treasury to compliance forum, interdepartmental and MANCO	100%
Inability to deliver/meet the strategic objectives is contained in the IDP	1. Implementation, Monitoring and Reporting on Municipal Performance targets in relation to COGTA Risk Adjusted Strategy Requirements (weekly) 2. Alignment of Infrastructure Project Management Plans with RAS	100%

Fraud Risks

Fraud Risk	Action Plans	% Implementation
Payment for services not rendered. Theft of municipal funds.	1. Conduct anti-fraud and corruption training and workshops to staff annually 2. To ensure that all bidding documents have clause on fraud and corruption	100%

	3. Implementation of consequence management	
Payment of fraudulent /fictitious suppliers	1. Continuous monitoring of controls 2. On capturing of new employees on Payday System, contract start date and end date are captured thus enabling the system to automatically terminate the employee 3. Monthly reconciliations of Terminations by HR department	100%
Misuse and theft of municipal assets	1. Implementation of consequence management 2. Involvement of Loss Committee during the implementation of consequence management	100%
Fraudulent awarding of tenders Fraudulent information supplied when tendering for work	1. Review of Anti-fraud and corruption policy 2. Conduct anti-fraud & corruption awareness. 3. Annual review SCM policy regular to ensure alignment with National Treasury regulations 4. Annual declaration of SCM code of conduct by all supply all Municipal SCM officials.	100%
Leave taken by employees but not processed on the leave system.	1. Continuous monitoring and supervision by managers 2. Standardise km's claimed for all employees claiming S&T within ULM jurisdiction	100%

2.8. Anti-Corruption and Fraud Management

The Council has assigned the Anti-Corruption and fraud management to Internal Audit Unit. Internal Audit Unit has conducted a whole range of activities including awareness campaigns. The Anti-Corruption and Fraud Management policy and implementation plan is available and is being reviewed by the Council on an annual basis.

Municipal Finance Management Act section 62 states that it is the responsibility of the accounting officer to take all reasonable steps to ensure the municipality has and maintains effective: efficient and transparent systems of financial risk management and internal control. The Municipal Finance Management Act section 115 (1) (b) further states that the Accounting Officer of a municipality must take all reasonable steps to ensure that proper mechanisms and separation of duties in the Supply Chain Management System are in place to minimize the likelihood of fraud and corruption.

The policy articulates Umzimvubu Local Municipality philosophy on fraud prevention plan, this document details steps which have been and will continually be taken by the municipality to promote ethical conduct and address fraud and corruption. In addition to promoting ethical conduct within the municipality the plan is also intended to assist in preventing, detecting, investigation and resolution. The council has approved the Anti-Fraud and Corruption Policy to actual sets out the stance of the Umzimvubu Local Municipality with regards to corruption and fraud, as well as reinforcing existing legislation aimed at preventing, reacting to, and reducing the impact of fraud, corruption, theft, and maladministration, where these dishonest acts subsist.

2.9 Municipal Website

The municipal website serves as a vital communication and marketing tool by providing Umzimvubu residents, businesses, and visitors with timely, accessible, and accurate information about the Municipality's services, initiatives, and strategic goals. The Website is used to enhance transparency and public engagement by offering updates on Council resolutions, service delivery programmes, and opportunities for participation in local governance. As a marketing platform, the Umzimvubu Local Municipality website helps position the Municipality as a desirable destination for tourism and investment by showcasing its unique features, branding, and development plans.

(a) Municipal Website Compliance

Promotion of Access to Information Act (PAIA), 2000: Ensures that the public has access to information held by the state, including municipalities, reinforcing the constitutional right to information.

Local Government: Municipal Finance Management Act (MFMA), 2003: Requires Municipalities to publish financial documents such as budgets, annual reports, and procurement plans on their websites. This promotes financial accountability and enables public oversight of municipal spending and performance.

These laws collectively ensure that municipal websites serve as reliable platforms for sharing timely, accurate, and legally compliant information with the public.

(b) Web Content Management

Municipal Web content is managed through a structured process that ensures timely and transparent dissemination. All relevant materials, such as reports, tender notices, vacancies and updates are uploaded within 48 hours of receipt. To maintain accountability, the proof of upload is shared with the concerned department, allowing for verification and follow-up where necessary. This approach supports efficient communication across departments and reinforces compliance with Municipal governance standards.

(c) Relevant Legislations

Some of the relevant legislations that guide the need for the Website are as follows:

Promotion of Access to Information Act (PAIA), 2000: Ensures that the public has access to information held by the state, including municipalities, reinforcing the constitutional right to information.

The Constitution of the Republic of South Africa:

The Chapter 2, Section 32 (1) of the Constitution states that everyone has the right of access to information held by the state; and any information that is held by another person and that is required for the exercise or protection of any rights.

(d) Functionality and Management

The Umzimvubu Local Municipality website is managed by the Communication and Public Relations Unit for content uploading; this include all documents and any information material that is of public interest. In terms of the technical support, the Corporate Services Department through its Information and Communication Technology (ICT) Unit are responsible for such.

2.10 Supply Chain Management

Demand Management: Deals with planning, which is critical to develop Procurement plans, Bid Committees to be formulated, Policy development and SOPs to implement all relevant legislation.

Acquisition Management: It is where the procurement processes kicks in, ranges of procurement, competitive bidding, evaluation up to appointments, deviations, unsolicited bidding, and proper adherence to SCM processes.

Logistics Management: Deals with logistics, inventory Management, disposal Management, Risk Management and Performance Management

Risk Management: Supply chain management may be incurring irregular expenditure, fraud, and corruption by not implementing the approved policies, MFMA and SCM regulations.

Performance Management: As a Manager of the sections need to ensure that subordinates perform and implement procurement plan timeous have strategies to deal with SCM delays since SCM is a heart of the institution, to ensure that contracts management on adhering to section 116 of MFMA

regular monitoring and implementation of service provider to perform on service delivery especially on conditional grants.

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	**PROCUREMENT METHOD MINIMUM**	**APPROVAL AUTHORITY**
0-500	Petty Cash	Manager
501-2000	One Quotation	SCM Manager
2001-30000	Three Quotations	SCM Manager
30001-300000	Seven days RFQ	SCM Manager/CFO/MM
300000 and above	Competitive bidding	MM

The bid committees are appointed for a financial year by the Accounting Officer.

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Slatsha Trading And Projects	UMZ/2022-23/C&CS/02	R1,955,000.00	24	Supply And Delivery Of Refuse Bags	Good	Good	N/A	Yes	N/A	N/A
Odior Trading Enterprise Pty L	UMZ/2022-23/03	R4,282,960.00	24	Supply And Delivery Of Personal Protective Clothing	Good	Good	N/A	Yes	N/A	N/A
Ngakane Holdings	UMZ/2022-23/C&CS/01	R3,697,527.65	24	Supply And Delivery Of Tools And Equipment	Good	Good	N/A	Yes	N/A	N/A
Phiko Security	UMZ/2022-23/C&CS/PS/001	R45,855,619.20	36	Provision Of Security Services For Kwabhaca Municipal Properties	Good	Good	N/A	Yes	N/A	N/A
S C B Property Valuers And Consultants	UMZ/2022-23/BTO/REV/001	R0.00	36	Compilation Of General Valuation Roll For The Financial Years 01 July 2023 To 30 June 2028	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Zamaisivuno Jv	UMZ/2017-2018/INFRA/BHU/007	R97,196,589.02	88	Construction Of Municipal Offices	Good	Good	N/A	No	N/A	N/A
Wiskno Projects	UMZ/2022/23/CS/HR/001	R0.00	36	Provision Of Umzimvubu Occupational Health Services And Employee Wellness Services	Good	Good	N/A	Yes	N/A	N/A
Ugqoloma Holdings	UMZ/2022-23/INFRA/PMU/001	R0.00	24	Panel Of Professional Services Providers In Civil For A Period Of Two Years	Good	Good	N/A	Yes	N/A	N/A
Mataya Specialist Engingeer	UMZ/2022-23/INFRA/PMU/001	R0.00	24	Panel Of Professional Services Providers In Civil For A Period Of Two Years	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Nws Consulting Engineerpty Ltd	UMZ/2022-23/INFRA/RM-STL/001	R0.00	24	Panel For Repairs And Maintenance Of Streetslights (Kwabhaca And Emaxesibeni)	Good	Good	N/A	Yes	N/A	N/A
Bm Infrastructure Development	UMZ/2022-23/INFRA/PMU/001	R0.00	24	Panel Of Professional Services Providers In Civil Engineering For A Period Of Two Years	Good	Good	N/A	Yes	N/A	N/A
Bonakude Consulting (Pty Ltd	UMZ/2022-23/OMM/IA/001	R0.00	36	Provision Of Internal Audit And Consulting Services Activities	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Mabheshe Electrical Projects And Trading	UMZ/2022-23/INFRA/RM-STL/001	R0.00	24	Panel For Repairs And Maintenance Of Streetlights (Kwabhaca And Emaxesibeni)	Good	Good	N/A	Yes	N/A	N/A
Dzama Trading	UMZ/2022-23/CS/HR/003	R0.00	36	Provision Of Vetting And Screening Services	Good	Good	N/A	Yes	N/A	N/A
Ndzila Investments	UMZ/2022-23/BTO/SCM/001	R0.00	36	Provision Of Insurance For Various Municipal Assets For A Period Of Three Years	Good	Good	N/A	Yes	N/A	N/A
Luphawu Trading (Pty) Ltd	UMZ/2022-23/C&CS/PS/006	R8,432,193.39	15	Construction Of Shooting Range	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Phiko Security	UMZ/2022-23/C&CS/PS/005	R32,013,000.00	36	Provision Of Security Services For Emaxesibeni Municipal Properties 2023	Good	Good	N/A	Yes	N/A	N/A
Xerox Eastern Cape	UMZ/CS/SG/2021-2023/002	R0.00	36	Lease Installation Monitoring Automation And Maintenance Of Multifunctional Printing/Photocopying Machines For The Offices Of Umzimvubu Local Municipality For Period 2 Years	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Swift Travel And Tours	UMZ/2022-23/BTO/SCM/003	R0.00	24	Provision Of Travel Management Agency Services For A Period Of 2 Years	Good	Good	N/A	Yes	N/A	N/A
Allenio Airline	UMZ/2022-23/BTO/SCM/003	R0.00	24	Provision Of Travel Management Agency Services For A Period Of 2 Years	Good	Good	N/A	Yes	N/A	N/A
Cindys Travel Agency	UMZ/2022-23/BTO/SCM/003	R0.00	24	Provision Of Travel Management Agency Services For A Period Of 2 Years	Good	Good	N/A	Yes	N/A	N/A
Sonani Training Communication	UMZ/2022-23/CS/HR/002	R0.00	36	Panel Of Service Providers For Training Services	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Khulani Hr Consultancy	UMZ/2022-23/CS/HR/002	R0.00	36	Panel Of Service Providers For Training Services	Good	Good	N/A	Yes	N/A	N/A
Thru-Grace Consultancy	UMZ/2022-23/CS/HR/002	R0.00	36	Panel Of Service Providers For Training Services	Good	Good	N/A	Yes	N/A	N/A
Limsa Pty Ltd	UMZ/2022-23/CS/HR/002	R0.00	36	Panel Of Service Providers For Training Services	Good	Good	N/A	Yes	N/A	N/A
One Vision Academy	UMZ/2022-23/CS/HR/002	R0.00	36	Panel Of Service Providers For Training Services	Good	Good	N/A	Yes	N/A	N/A
Fg Uniforms Cc	UMZ/2022-23/C&CS/PS/003	R2,700,994.00	36	Supply And Delivery Of Law Enforcement Uniform	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Abinet Training And Development	UMZ/2022-23/CS/HR/002	R0.00	36	Panel Of Service Providers For Training Services	Good	Good	N/A	Yes	N/A	N/A
P Conjwa And Associates	UMZ/2022-23/OMM/LS/001	R0.00	36	Provision Of Services Municipal Panel Of Attorneys/Firm Of Attorneys For Civil Law And Other Related Matters	Good	Good	N/A	Yes	N/A	N/A
Mdledle Incorporated	UMZ/2022-23/OMM/LS/001	R0.00	36	Provision Of Services Municipal Panel Of Attorneys/Firm Of Attorneys For Civil Law And Other Related Matters	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Odior Trading Enterprise Pty L	UMZ/2021-22/C&CS/003	R0.00	36	The Supply And Delivery Fuel Solid Waste Depots	Good	Good	N/A	Yes	N/A	N/A
BM Infrastructure Development	UMZ/2023-24/INFRA/PSP/ELECT/001	R0.00	36	Panel Of 3 Professional Services For Electrical Engineers For A Period Of Three Years	Good	Good	N/A	Yes	N/A	N/A
Scelo Business Consultancy	UMZ/2022-23/INFRA/PMU/002	R0.00	24	Panel Of Ad-Hoc Plant Hire For Maintenance	Good	Good	N/A	Yes	N/A	N/A
Mzontsundu Construction	UMZ/2022-23/INFRA/PMU/002	R0.00	24	Panel Of Ad-Hoc Plant Hire For Maintenance	Good	Good	N/A	Yes	N/A	N/A
Aya-Lwazi 227 Consulting	UMZ/2022-23/INFRA/PMU/003	R0.00	24	Panel Of Service Providers For Repairs And Maintenance Of Municipal Buildings(Two Years)	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Mbsa Consulting		R0.00	36	Panel Of 3 Professional Services For Electrical Engineers For A Period Of Three (3) Years	Good	Good	N/A	Yes	N/A	N/A
Izingodla Engineering	UMZ/2023-24/INFRA/PSP/ELECT/001	R0.00	24	Panel Of 3 Professional Services For Electrical Engineers For A Period Of 3 Years	Good	Good	N/A	Yes	N/A	N/A
Mabona Civils & Plant Hire	UMZ/2023-24/INFRA/MIG/007	R29,962,422.60	21	Surfacing Of Kwabhaca Internal Streets Phase 8	Good	Good	N/A	No	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Mtebs Empire	UMZ/2023-24/C&CS/RFQ/006	R198,000.00	12	Supply And Delivery Of Disaster Relief Material For A Period Of 12 Months	Good	N/A	N/A	Yes	N/A	N/A
Nomali Trading Enterprise	UMZ/2022-23/INFRA/PMU/003	R0.00	24	Panel Of Service Providers For Repairs And Maintenance Of Municipal Builders (Two Years)	Good	Good	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise	UMZ/2022-23/INFRA/PMU/002	R0.00	24	Panel Of Ad-Hoc Plant Hire For Maintenance	Good	Good	N/A	Yes	N/A	N/A
Zipho Zetho Jv Liyema Civils	UMZ/2022-23/INFRA/ECHDHS/001	R31,864,800.00	30	Turnkey Project For Cabazana-A400(181) Rural Housing Project	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Madlanga &Partners Incorporate	UMZ/2022-23/OMM/LS/001	R0.00	36	Provision Of Services Municipal Panel Of Attorneys/Firm Of Attorneys/Firm Of Attorneys For Civil Law And Other Related Matters	Good	Good	N/A	Yes	N/A	N/A
Luphawu Trading (Pty) Ltd	UMZ/2023-24/INFRA/MIG/002	R11,640,125.40	15	Mpungulelweni Access Road And Bridge	Good	Good	N/A	Yes	N/A	N/A
Khulani Office Solutions	UMZ/2022-23/CS/ICT/004	R0.00	36	Computer Equipment Contract For Three Years	Good	Good	N/A	Yes	N/A	N/A
Grid & Green Power	UMZ/2022-23/BTO/FBS/001	R50,000,000.00	24	Maintenance Of Solar To All Deserving Indigent Households For (Two Years)	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Nqolo Civil (Pty) Ltd	UMZ/2023-24/BTO/CSM/001	R50,000,000.00	24	Supply And Delivery Municipal Stationery For A Period Of 2 Years	Good	Good	N/A	Yes	N/A	N/A
Tarsil Investments	UMZ/202-23/INFRA/ECHDHS/001	R30,668,150.00	24	Turnkey Project For Cabazana B400(181) Rural Housing Project-Solani Mmangweni Zinkawini Mrholweni & Mmnambini	Good	Good	N/A	Yes	N/A	N/A
Ikamva Technical Solutions	UMZ/2023-24/BTO/SCM/002	R0.00	24	Supply And Delivery Of Municipal Cartridges And Toners For A Period Of 2 Years	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
T And N Contractors	UMZ/2023-24/INFRA/INEP/001	R2,927,355.21	6	Electrification Of Maduna-Majojweni/Silindini	Good	Good	N/A	Yes	N/A	N/A
Yakhalungisa Engineering Services	UMZ/2023-24/INFRA/MIG/004	R8,425,450.28	9	9 High Mast Lights In Kwabhaca Area	Good	Good	N/A	Yes	N/A	N/A
Likamva Geomatics	UMZ/2022-23/INFRA/TP/002	R0.00	36	Panel Of Land Surveyors For Period Of Three Years	Good	Good	N/A	Yes	N/A	N/A
Nyalambisa Financial Services	UMZ/2023-26/BTO/AFR/001	R0.00	36	Panel Of Financial Consultants For 3 Financial Years	Good	N/A	N/A	Yes	N/A	N/A
Cmq Trading Enterprise	UMZ/2023-24/CS/001	R0.00	24	Ict Network Maintenance	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Truvelo Africa Electronic Div	UMZ/2023-24/C&CS/RFQ/015	R199,500.00	10	Service Provider To Provide Rental Of Traffic Management System (Back-Office System) For A Period Of Six Months	Good	N/A	N/A	Yes	N/A	N/A
Pholela Business Advisory	UMZ/2023-26/BTO/AFR/001	R0.00	36	Panel Of Financial Consultants For 3 Financial Years	Good	Good	N/A	Yes	N/A	N/A
Scelo Business Consultancy	UMZ/2022-23/INFRA/PMU/002	R8,890,008.62	8	Ngqumane Access Road Maintenance	Good	Good	N/A	Yes	N/A	N/A
Sqedalethu	UMZ/2023-24/BTO/RFQ/003	R0.00	12	Car Wash Services For Period Of 12 Months	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Docraine	UMZ/2022-23/INFRA/ECDHS/006	R30,153,200.48	26	Turnkey Project For Nqalweni/Matyeni 170(163) Rural Housing Project	Good	Good	N/A	Yes	N/A	N/A
Mdzita Holdings	UMZ/2022-23/INFRA/003/PMU/003	R0.00	24	Panel Of Service Provider For Repairs And Maintenance Of Municipal Building For 2 Years	Good	Good	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise		R6,594,900.69	6	Gxaku Access Road Maintenance	Good	Good	N/A	Yes	N/A	N/A
Yandani Trd Enterprise	UMZ/2022-23/BTO/RFQ/003	R0.00	12	Carwash Services For Period 12 Months	Good	Good	N/A	Yes	N/A	N/A
Mizotech Trading	UMZ/2023-24/CAP/031	R943,270.41	6	Installation Of Solar Led Streetlights At Umzimvubu Streets	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Qholo Civils	UMZ/2023-24/INFRA/CAP/024	R4,575,238.20	12	Emaxesibeni Multipurpose Phase 6	Good	Good	N/A	Yes	N/A	N/A
Mavest Trading Enterprise	UMZ/2023-24/C&CS/05	R7,366,560.00	24	Supply And Delivery Of Food Parcels For A Period Of Two Years	Good	Good	N/A	Yes	N/A	N/A
Mtn Store	UMZ/2023-24/CS/ICT/002	R0.00	36	Cellphones And Tools Of Trade Contract For Period Of Three Years	Good	Good	N/A	Yes	N/A	N/A
Glen Hope Trading Enterprise	UMZ/2023-24/BTO/FBS/001	R3,520,000.00	24	Supply And Destribution Of Alternative Energy(Paraffin) To Indigent Households	Good	Good	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise	UMZ/2023-24/INFRA/PMU/002	R8,834,743.17	10	Construction Of Mqhokweni Low Level Causeway	Good	Good	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Ps Capital	UMZ/2023-24/C&CS/RFQ/032	R288,300.00	12	Supply And Delivery Of Disaster Relief Material	Good	Good	N/A	Yes	N/A	N/A
Aya-Lwazi 227 Consulting	UMZ/2024-25/INFRA/MIG/003	R3,136,282.18	10	Construction Of Spilini Community Hall	Good	N/A	N/A	Yes	N/A	N/A
Uzolo Trd Pty Ltd	UMZ/2024-25/INFRA/MIG/001	R3,023,085.16	9	Construction Of Gugwini Community Hall	Good	N/A	N/A	Yes	N/A	N/A
Bontinite	UMZ/2023-24/INFRA/ECDHS/004	R7,142,487.30	12	Turnkey Project For Nkungwini 300 (39) Rural Housing Project	Good	N/A	N/A	Yes	N/A	N/A
Kig Construction	UMZ/2022-23/INFRA/ECDHS/009	R7,852,487.50	27	Turnkey Project For Xhameni 210 (50) Rural Housing Project	Good	N/A	N/A	Yes	N/A	N/A
Aya-Lwazi 227 Consulting	UMZ/2024-25/INFRA/MIG/005	R3,720,779.93	11	Tholeni Access Road-New	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Phakamisa Construction And Services	UMZ/2024-25/INFRA/MIG/006	R2,971,738.00	7	Ntutha Community Hall	Good	N/A	N/A	Yes	N/A	N/A
Bukulu Suppliers Pty Ltd JV Lulwakhuyo	UMZ/2022-23/INFRA/ECDHS/003	R5,247,157.56	9	Turnkey Project For Dundee 500(34) Rural Housing Project	Good	N/A	N/A	Yes	N/A	N/A
Ufg Electrical & Lighting	UMZ/2024-25/INFRA/INEP/002	R3,680,760.04	9	Ntelezini Electrification	Good	N/A	N/A	Yes	N/A	N/A
Mzontsundu Construction		R6,181,511.88	8	Tyinirha	Good	N/A	N/A	Yes	N/A	N/A
Mzontsundu Construction		R5,088,367.17	6	Lubhacweni Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Boboshe Trading Enterprise JV Myoza Myoza	UMZ/2024-25/INFRA/INEP/008	R2,104,496.28	4	Emadameni Electrification	Good	N/A	N/A	Yes	N/A	N/A
Mizotech Trading	UMZ/2024-25/INFRA/INEP/005	R578,000.00	4	Bhubesini Electrification	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Mizotech Trading	UMZ/2024-25/INFRA/INEP/007	R1,586,294.26	11	Rode Electrification	Good	N/A	N/A	Yes	N/A	N/A
Boboshe Trading Enterprise JV Myoza Myoza	UMZ/2024-25/INFRA/INEP/006	R2,366,127.75	4	Mtshikawuse Electrification	Good	N/A	N/A	Yes	N/A	N/A
Kwanto Merchantile Pty Ltd	UMZ/2023-2024/BTO/FLT/001	R0.00	24	Panel For Repairs And Maintenance For Municipal Fleet For A Period Of 2 Years	Good	N/A	N/A	Yes	N/A	N/A
Access Technology Consult	UMZ/2023-24/CS/ICT/003	R1,394,009.30	24	Umzimvubu Free Wi-Fi In Ward 09 Saphukanduku Senior Secondary School	Good	N/A	N/A	Yes	N/A	N/A
Masiyephambili Engineering Services	UMZ/2024-25/INFRA/INEP/003	R3,885,102.03	4	Santombe Electrification	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Scelo Business Consultancy		R2,313,195.68	6	Hiring Of Plant For Re-Gravelling Of Sbhozweni Access Road And Bridge	Good	N/A	N/A	Yes	N/A	N/A
Blaqchild Digital X	UMZ/CS/SG/2024-25/001	R1,950,500.00	24	Provision Of A Collaborative Electronic Document Management System And Records Management For Ulm	Good	N/A	N/A	Yes	N/A	N/A
King Soyisile Construction And Plant Hire	UMZ/2024-25/INFRA/PLANNING/RFQ/004	R209,032.84	3	Construction Of Vulnerable House In Ward 25	Good	N/A	N/A	Yes	N/A	N/A
Yakhalungisa Engineering Services	UMZ/2023-24/INFRA/ELECT/0019	R5,493,777.29	10	Completion Of Mpondomise Phase 3	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Mzontsundu Construction	UMZ/2024-25/INFRA/MIG/004	R14,200,000.00	15	Bhakaleni To Sekileni Via Mqoma Access Road	Good	N/A	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise		R3,306,992.33	9	Regravelling Of Badibanise Internal Streets	Good	N/A	N/A	Yes	N/A	N/A
Knt Towing And Trading	UMZ/2023-2024/BTO/FLT/001	R0.00	24	Panel For Repairs And Maintenance For Municipal Fleet For A Period Of 2 Years	Good	N/A	N/A	Yes	N/A	N/A
Jnw Trading Enterprise	UMZ/2024-25/INFRA/PLANNING/RFQ/001	R264,337.50	9	Construction Of Vulnerable House In Ward 06	Average	N/A	Performanc e Engageme nt meetings, work was ceded and performanc e improved	No	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Bavix Trd & Projects (Pty)Ltd	UMZ/2024-25/INFRA/PLANNING/RFQ/002	R216,132.00	9	Construction Of Vulnerable House In Ward 01	Average	N/A	Performance Engagement meetings and performance improved	No	N/A	N/A
Mzontsundu Construction		R3,298,803.18	6	Hiring Of Plant For Bonga Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Nqolo Civil (Pty) Ltd	UMZ/2024-25/LED/02	R3,317,175.00	24	Supply And Deliver Yellow Maize Production Inputs For Cluster B	Good	N/A	N/A	Yes	N/A	N/A
Slatsha Trading And Projects	UMZ/2024-25/C&CS/01	R2,242,500.00	24	Supply And Delivery Of Refuse Bags For Two Years	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Makhalendlovu Construction	UMZ/2024-25/INFRA/CAP/006	R1,201,231.35	8	Sikolweni & Hlombe Access Road Maintenance	Average	N/A	Performance Engagement meetings and performance improved	No	N/A	N/A
Tlm Civil	UMZ/2024-25/INFRA/PLANNING/RFQ/003	R245,608.65	3	Construction Of Vulnerable House In Ward 10	Good	N/A	N/A	Yes	N/A	N/A
Ncaps Trading	UMZ/2024-25/IFRA/CAP/008	R1,146,302.75	8	Lusuthu Access Road Maintanance	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Techseeds Telecommunications	UMZ/2024-26/CS/002	R1,135,130.50	24	Lease Installation Monitoring Automation And Maintenance Of Multifunction Printing/Photocopying Machines For The Offices Of Umzimvubu Local Municipality	Good	N/A	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise		R3,784,714.83	6	Hiring Of Plant For Mhlozini Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Alfred Ndzo Technologies	UMZ/2024-25/INFRA/CAP/004	R1,505,971.00	6	Mnqwane Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise		R930,752.50	6	Kwantuli-Cabazana Ar Maintenance	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Nkwali Am Trading Enterprise	UMZ/2024-25/C&CS/PS/003	R2,000,000.00	8	Construction Of Emaxesibeni Pound	Good	N/A	N/A	Yes	N/A	N/A
Uzolo Trd Pty Ltd	UMZ/2024-25/INFRA/CAP/001	R1,719,417.00	8	Mvakomzi Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Rendeals Thirty One	UMZ/2024-25/INFRA/CAP/013	R1,999,995.98	6	Mnxekazi Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Scelo Business Consultancy		R1,801,446.25	9	Emaxesibeni-Ward 5.6 And 8 (Sirhoqobeni Cluster Sportfiled)	Good	N/A	N/A	Yes	N/A	N/A
Mayonzi (Pty) Ltd	UMZ/2024-25/LED/06	R2,682,320.00	24	Supply And Deliver Yellow Maize Production Inputs For Cluster C	Good	N/A	N/A	Yes	N/A	N/A
Nomali Trading Enterprise	UMZ/2024-25/LED/08	R872,519.38	24	Conduct Ploughing Mechanisation Cluster D	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Athindura Trading	UMZ/2024-25/INFRA/MIG/007	R2,874,290.74	8	Construction Of Lower Cabazana Community Hall	Average	N/A	Performanc e Engageme nt meetings and performanc e improved	No	N/A	N/A
Scelo Business Consultancy		R6,672,333.28	8	Ngcozana Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Slatsha Trading And Projects	UMZ/2024-25/LED/01	R2,870,400.00	24	Supply And Deliver Yellow Maize Production Inputs For Cluster A	Good	N/A	N/A	Yes	N/A	N/A
Malish Trading	UMZ/2024-25/LED/RFQ/012	R1,185,300.00	24	Conduct Ploughing Mechanisation For Cluster E	Good	N/A	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise		R930,752.50	6	Hiring Of Plant For Kwantuli-Cabazana Ar Maintenance	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Ufg Electrical & Lighting	UMZ/2024-25/INFRA/INEP/009	R2,746,048.20	8	Sixhotyeni Electrification	Good	N/A	N/A	Yes	N/A	N/A
Sabs Adherence	UMZ/2023-24/LED/018	R5,100,106.25	11	Construction Of Ntsizwa Hiking Trail Phase 1	Good	N/A	N/A	Yes	N/A	N/A
Intekwane Security Services	UMZ/2024-25/BTO/SCM/001	R0.00	24	Provision Of Municipal Fleet Tracking And Monitoring System For The Period Of Two Years	Good	N/A	N/A	Yes	N/A	N/A
Nobhula Events And Marketing	UMZ/2024-25/SPU/001	R890,000.00	6	Umzimvubu Local Municipality Youth Empowerment And Recreational Programme	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Zinele Development	UMZ/2024-25LED/08	R1,282,000.0 0	24	Ploughing Mechanization For Cluster B	Bad	N/A	Contract was terminated	No	Non-performanc e	N/A
Ats Civils And Trading	UMZ/2024-25/LED/05	R880,530.00	8	Development Of Ntenetyane Dam-Phase 1	Good	N/A	N/A	No	N/A	N/A
Xolweni Trading JV Onwabu Projects	UMZ/2024-25/INFRA/CAP/002	R2,495,103.2 5	8	Kwanyathi-Mnambithi Access Road And Bridge	Good	N/A	N/A	Yes	N/A	N/A
Blaqchild Digital X	UMZ/2024-25/CS/ICT/006	R1,100,500.0 0	24	Website Hosting And Maintenance Services For Umzimvubu Local Municipality For A Period Of 2 Years	Good	N/A	N/A	Yes	N/A	N/A
Nqolo Civil (Pty) Ltd	UMZ/2024-25/INFRA/CAP/012	R1,585,681.8 5	8	Magontsini Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Mzontsundu Construction	UMZ/2024-25/INFRA/CAP/015	R2,197,903.00	6	Mbodleni Bhibha Via Cabazi Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Myoza Myoza Trading JV Mkondwana Building and Civil	UMZ/2024-25/C&CS/002	R1,868,074.95	6	Construction Of Kwabhaca Transport Pound Phase 1	Good	N/A	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise	UMZ/2024-25/INFRA/CAP/018	R1,645,279.13	6	Ngojini Via Ngxonga Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Shearer Group (Pty) Ltd	UMZ/2024-25/INFRA/CAP/017	R1,597,844.50	6	Nqalweni Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Khanyo Electrical	UMZ/2024-25/INFRA/INEP/001	R1,249,370.86	6	Elangeni Electrification	Good	N/A	N/A	Yes	N/A	N/A
Mg Mpeto Bus Services	UMZ/2024-2025/LED/010	R1,054,550.00	24	Conduct Ploughing Mechanisation For Cluster C	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Ndalo 89 Trading Enterprise	UMZ/2024-25/LED/02	R1,560,640.00	24	Supply And Deliver Yellow Maize Production Inputs For Cluster D	Good	N/A	N/A	Yes	N/A	N/A
Maphozana Trading	UMZ/2024-25/LED/RFQ/001	R1,070,331.08	24	Conduct Ploughing Mechanisation For Cluster A For 2 Years	Good	N/A	N/A	Yes	N/A	N/A
Maphozana Trading	UMZ/2024-25/LED/002	R1,943,959.70	24	Supply And Deliver Sheep Shearers For 28 Sheep Shearing Sheds Of Ulm	Good	N/A	N/A	Yes	N/A	N/A
Sinqasha Trading And Transport (Pty)Ltd	UMZ/2024-25/INFRA/CAP/007	R2,349,421.25	8	Nyathini Access Road And Bridge	Good	N/A	N/A	Yes	N/A	N/A
Qholo Civils	UMZ/2024-25/C&CS/004	R1,725,805.00	8	Construction Of Kwabhaca Animal Pound Phase 2	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Mzontsundu Construction		R928,245.50	6	Lokwe Access Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Mdzita Holdings		R999,981.12	3	Repairs Of Ntlavini Community Hall	Good	N/A	N/A	Yes	N/A	N/A
Intlangula 86 Trading Enterprise		R1,336,764.60	6	Sirhoqobeni Slab	Good	N/A	N/A	Yes	N/A	N/A
Twizza Civils And Building	UMZ/2024-25/LED/013	R2,000,000.00	11	Construction Of Lugangeni Feedlot In Mount Frere Phase 1	Good	N/A	N/A	Yes	N/A	N/A
Mdzita Holdings		R645,150.00	3	Repairs And Maintenance Of Emaxesibeni Municipal Offices	Good	N/A	N/A	Yes	N/A	N/A
Aya-Lwazi 227 Consulting		R299,115.00	3	Maintenance Of Emaxesibeni Staff Housing	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Nhanhe Trading	UMZ/2024-25/INFRA/CAP/019	R1,770,375.55	6	Sda To Magwaca Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Ukukhawuleza Trading Enterpris	UMZ/2024-25/INFRA/INEP/004	R906,500.00	6	Kumhlokwana Electrification	Good	N/A	N/A	Yes	N/A	N/A
Aya-Lwazi 227 Consulting		R413,137.50	3	Repairs And Maintenance Of Various Libraries	Good	N/A	N/A	Yes	N/A	N/A
Litto Trading Enterprise	UMZ/2024-25/INFRA/CAP/014	R2,060,375.65	6	Ncunteni Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Nomali Trading Enterprise	UMZ/2024-25/INFRA/CAP/016	R1,647,800.50	6	Lutateni Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Scelo Business Consultancy		R1,030,995.70	6	Maintenance Of Tela-Dundee Slab	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Nteli Security And Services	UMZ/2024-25/C&CS/PS/002	R5,000,000.00	24	Supply And Delivery Of Disaster Relief Material For A Period Of Two Years	Good	N/A	N/A	Yes	N/A	N/A
Truvelo Africa Electronic Div	UMZ/2024-25/C&CS/PS/002	R876,000.00	24	Supply Delivery Installation Support And Maintain A Traffic Notices Contravention And Automatic Number Plate Recognition (Anpr) System For A Period Of Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Ngakane Holdings	UMZ/2024-25/C&CS/02	R3,922,264.75	24	Supply And Delivery Of Tools And Equipment For 2 Years	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Sabs Adherence	UMZ/2024-25/C&CS/05	R0.00	24	Supply And Delivery Of Fuel For Solid Waste Depots For Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Scelo Business Consultancy		R2,488,310.20	6	Lovu Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Mzontsundu Construction		R846,687.50	4	Dungu Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Mkhwenkwe's Grandson Trading Enterprise	UMZ/2024-25/LED/017	R491,022.75	6	Construction Of Kwabhaca Auction Pans Phase 4(A)	Good	N/A	N/A	Yes	N/A	N/A
Zebhi Institute	UMZ/2024-25/C&CS/07	R0.00	24	Panel Of Environmental Professionals For Two Years	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Phakamihle Gis & Gpsing Solutions	UMZ/2024-25/INFRA/CAP/003	R950,423.25	2	Installation Of 30 Solar Street Lights In Emaxesibeni	Good	N/A	N/A	Yes	N/A	N/A
Xolweni Trading And Projects	UMZ/2024-25/C&CS/03	R4,769,700.00	24	Supply And Delivery Of Personal Protective Equipment For Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Ooketshe Trading And Transport (Pty) Ltd	UMZ/2024-25/INFRA/CAP/021	R2,460,848.90	5	Velem Via Mthonjeni-Gamakhulu Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Mdzita Holdings	UMZ/2024-25/INFRA/CAP/032	R1,100,000.00	8	Zimbileni Via Mntwana Access Road Maintanance	Good	N/A	N/A	Yes	N/A	N/A
Mdzita Holdings	UMZ/2024-25/C&CS/034	R247,595.92	3	Completion Of Emaxesibeni Botanical Gardens Fencing Phase 2	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Ikamva Ithala Trading JV German	UMZ/2024-25/INFRA/CAP/020	R1,975,142.25	6	Ntenetyana To Godola Access Road Maintenance	Good	N/A	N/A	Yes	N/A	N/A
Ooketshe Trading And Transport (Pty) Ltd	UMZ/2024-25/C&CS/035	R291,995.00	3	Completion Of Emaxesibeni Landfill Site Fencing	Good	N/A	N/A	Yes	N/A	N/A
Yandani Trd Enterprise	UMZ/2024-25/BTO/RFQ/001	R0.00	12	Car Wash Services For A Period Of 12 Months	Good	N/A	N/A	Yes	N/A	N/A
Gas Trading	UMZ/2024-25/BTO/RFQ/001	R0.00	12	Car Wash Services For Period Of 12 Months	Good	N/A	N/A	Yes	N/A	N/A
Toyota South Africa Motors (PTY) LTD	RT57 04-22-04	R701,626.71	2	White Fortuner 2.4 GD-6 4X4 6AT	Good	N/A	N/A	Yes	N/A	N/A
Luphawu Trading (Pty) Ltd	UMZ/2024-25/INFRA/MIG/002	R9,325,751.20	15	Mt White Access Road With Concrete Slab	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Nomali Trading Enterprise	UMZ/2024-25/INFRA/CAP/011	R1,540,166.25	8	Ngxashini Access Road Mantainance	Good	N/A	N/A	Yes	N/A	N/A
Masiyephambili Engineering Services	UMZ/2024-25/INFRA/ELECT/020	R4,105,405.75	4	Construction Of Maduna Mjojweni Link Line And 15 Households	Good	N/A	N/A	Yes	N/A	N/A
Bmi Electrical Pty Ltd	UMZ/2024-25/INFRA/RM-STL/001	R20,000,000.00	24	Panel For Repairs And Maintenance Of Streetlights For Two (20 Years	Good	N/A	N/A	Yes	N/A	N/A
Turbine Power Projects	UMZ/2024-25/INFRA/RM-STL/001	R0.00	24	Panel For Repairs And Maintenance Of Streetlights For Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Iheans Travelling Agency	UMZ/2024-25/BTO/SCM/003	R0.00	24	Provision Of Travel Management Agency Services For 2 Years	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Lithaba-Basadi Investments Pty	UMZ/2024-25/BTO/SCM/003	R0.00	24	Provision Of Travel Management Agency Services For 2 Years	Good	N/A	N/A	Yes	N/A	N/A
Cindys Travel Agency	UMZ/2024-25/BTO/SCM/003	R0.00	24	Provision Of Travel Management Agency Services For 2 Years	Good	N/A	N/A	Yes	N/A	N/A
Zebhi Institute	UMZ/2024-25/C&CS/07	R0.00	24	Panel Of Environmental Professionals For Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Ceet	UMZ/2024-25/C&CS/07	R0.00	24	Panel Of Environmental Professional For Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Averag e/Bad**	**Remedial action**	**Contrac t Execute d within contrac t duratio n**	**Reason For Contract Terminatio n if any**	**Blacklisti ng Executed**
Knt Towing And Trading	UMZ/2024-25/INFRA/S&D-STRM/001	R0.00	24	Panel For Supply And Delivery Of Street Repair Material For A Period Two (2) Yeras	Good	N/A	N/A	Yes	N/A	N/A
Dzama Trading	UMZ/2024-25/INFRA/S&D-STRM/001	R0.00	24	Panel For Supply And Delivery Of Street Repair Material For A Period Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Bharbarlite	UMZ/2024-25/INFRA/S&D-STRM/001	R0.00	24	Panel For Supply And Delivery Of Street Repair Material For A Period Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Tps Development Projects	UMZ/2024-25/INFRA/HMS/001	R405,000.00	12	Review Of Umzimvubu Local Municipality S Human Settlemment Sector Plan	Good	N/A	N/A	Yes	N/A	N/A

SERVICE PROVIDERS PERFORMANCE REPORTING										
2024/25 FINANCIAL YEAR										
Name of Service Provider	**Contract Number**	**Contract Value**	**Contract Duration**	**Project Name**	**Performance: Good /Average/Bad**	**2023/2024FY Performance: Good/Average/Bad**	**Remedial action**	**Contract Executed within contract duration**	**Reason For Contract Termination if any**	**Blacklisting Executed**
Cmm Environmental Consultants	UMZ/2024-25/C&CS/07	R0.00	24	Panel Of Environmental Professionals For Two (2) Years	Good	N/A	N/A	Yes	N/A	N/A
Nkwali Am Trading Enterprise	UMZ/2024-25/C&CS/06	R3,680,695.83	7	Construction of Chithwa Recreational Park-Phase 2	Good	N/A	N/A	Yes	N/A	N/A
Mizotech Trading	UMZ/2024-25/INFRA/INEP/0010	R1,100,398.47	2	Construction of Bhubhesini Link Line & Electrification of Households	Good	N/A	N/A	Yes	N/A	N/A

Component D: Policies/By-Laws

Policy Environment
The following policies were adopted by Council. Yearly reviews are performed as and when the need arise.

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
Basic Service Delivery	Building Regulations/By-Law	To fulfill the legislative requirement of National Building Regulation and Building Standards Act, and other relevant legislation. For prescribing building standards within Urban Area jurisdiction and matters connected therewith.	Implementation	2020
	Housing Sector Plan	To develop a comprehensive housing development plan for the local municipality; To intergrate the HSP into the Intergrated development Plan and ensure that the HSP becomes the housing component of the Umzimvubu IDP; To establish a framework for housing delivery in terms of the National Housing programes and the Department of housing's strategic direction. To provide both Human Settlement department and the Local municipality with a tool to strategically locate future housing settlements, taking into consideration the contraints and oppotunities that exists at a municipal level.	Implementation	2018
	Project Management Policy	The objective of the policy is to make sure all projects identiefied by council are subjected to appropriate projrct management governance; provide a single copoarte-wide frame-work, guiding users through the project management lifecycle	Implementation	2020

	TLB usage	To give guidance to the usage, hiring of municipal TLBs including the need for a standardised procedure, to set out the responsibilities of the relevant parties involved in the process and outlines effective administrative and decision-making procedure in order to render efficient service delivery	Implementation	2018
	Public Roads Bylaws	To regulate usage of public roads	Implementation	2019
	Project Management Procedure	To outline processes of project management	Implementation	2019
	Footways	To ensure that council do make available budget for pubic Walkways on an annual bases; Seeks to provide guidance, consistency and uniformity during implementation of such programme; Promote safety by seperationg pedestrians from vehicular traffic; to provide a conient, easthestic nd to prevent repeated maintenance of stormwater system and verges	Implementation	2019
	By-Laws relating to dumping, littering and waste collection	To guide and regulate refuse removal and dumping	Implementation	2020
Institutional Development and Organizational	Organizational Structure	To fulfill the strategic management task of the Organization i.e. linking input to outcomes.	Organogram adopted Recruitment done as per the adopted	29/01/2021

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
Transformation			organogram	
	Employment Equity Plan	To institute strategic measures that seek to ensure equitable representation of suitable qualified people in all occupational categories and level of the municipality as requires by the act.	The EEP was developed. Annual report is submitted to the Dept. of Labour.	30/08/2019

			The EEP is always considered during recruitment process	
	Smoking Policy	To establish a smoke-free environment for non-smoking employees, visitors and clients	The Policy was developed and adopted by Council. It is being implemente d	30/08/2019
	Sexual Harassment Policy	To encourage and promote the development and implementation of policies and procedures that will lead to creation of the workplace that is free of any form of harassment where the Municipality and its employees respect one another's integrity, privacy and the right to equality in the workplace	The Policy was developed and adopted by Council.	30/08/2019
	Occupational health and Safety Policy	To ensure that Health and Safety functions are completely integrated in Management practices and principles and therefore form part of the daily management activities and responsibilities.	The Policy was developed and adopted by Council. It is being implemente d	30/08/2019
	Municipal Bereavement & Funeral Policy	To provide a framework for management of bereavement processes for a deceased municipal Councillor and employee.	The Policy was developed and adopted by Council. It is being implemente	30/08/2019

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			d	

	Inclement Weather Policy	To establish and maintain a safe and healthy work environment for Municipal employees on bad weather days and to provide regulations for managing work environment on bad weather days.	The Policy was developed and adopted by Council.	30/08/2019
			It is being implemented	
	HIV and AIDS policy	Ensure the efficient and effective delivery of services, in spite of the prevalence of HIV AND AIDS within the Municipality and minimising the impact of HIV AND AIDS within the Municipality at all levels of employment by supporting national efforts to minimise the spread of the virus.	The Policy was developed and adopted by Council.	30/08/2019
			It is being implemented	
		Provide support for employees who are affected and/or infected by the virus		
	Employee Assistance Policy	To offer confidential assistance to employees who have the potential to be adversely affected by personal problems and work-related problems	The Policy was developed and adopted by Council.	29/01/2021
			It is being implemented	
	Training and development Policy	To equip Municipal Human Capital with the necessary skills for better service delivery.	The Policy was developed and adopted by Council.	29/01/2021
			It is being implemented	
	Subsistence Abuse Policy	To minimize/eliminate the abuse and dependence on Alcohol and/or Drugs amongst employees and to assist, where possible, in the rehabilitation of those who have an alcohol and/or drugs problem	The Policy was developed and adopted by Council.	30/08/2019
			It is being implemente	

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			d	
	Standby Policy	To ensure that there is always personnel that is on standby for all emergency services	The Policy was developed and adopted by Council.	30/08/2019
			It is being implemented	
	Overtime Policy	To regulate circumstances under which overtime, undertime and flexitime are worked within the Municipality	The Policy was developed and adopted by Council.	30/08/2019
			It is being implemented	
	Dress code, uniform and protective clothing Policy	To ensure that uniforms and protective clothing shall be issued in terms of Municipal policy and the schedule of issuing clothing shall be approved by the Management and amended from time to time	The Policy was developed and adopted by Council.	30/08/2019
			It is being implemented	
	Acting Policy	To provide a framework for appointing employees to act in senior positions within the Municipality	The Policy was developed and adopted by Council.	30/08/2019
			It is being implemented	
	Recruitment Policy	To inject uniform, transparent, fair and sound recruitment procedures and practices	The Policy was developed and adopted by Council.	28/05/2021
			It is being implemented	

	Performance Management Policy	To set a scene/platform for management and monitoring of organizational and individual performance.	The Policy was developed	29/01/2021

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			and adopted by Council.	
		To set rules, regulations and standards for effective and successful management of performance in the workplace	It is being implemente d	
	Induction Policy	To introduce new permanent /contract employees to the organisational culture of the Municipality i.e. norms and values of the Council, Strategic goals, Municipal legislation, Municipal Policies as well as co-workers, activities and tasks of the employees	The Policy was developed and adopted by Council.	28/05/2021
			It is being implemente d	
	Retention Strategy	Retaining municipal employees and also attracting employees to join the municipality	The Strategy was developed and adopted by Council.	30/08/2019
			It is being implemente d	
	Leave Policy	To ensure that leave is taken by all the employees accordingly	The Policy was developed and adopted by Council.	28/05/2021
			It is being implemente d	
	Human Resources Strategy	To ensure that there is a match between the municipality's needs, the budget and the individual needs resulting into an outcome which will result in improved service delivery	The Strategy was developed and adopted by Council.	30/08/2019

			It is being implemente d	
	Records Management Manual	To ensure that institutional memory is always sustained through a sound records management system	The Manual was developed and	Developed and adopted by Council in

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			adopted by Council.	2014
			It is being implemente d	
	ULM Delegation of Powers	In respect of good governance and to ensure democratic and accountable local government for local communities and based on basic values and principles governing public administration, as required by the Constitution, the Municipal Council of the Umzimvubu Local Municipality, sets responsibilities within a legal framework	The framework was developed and adopted by Council.	Last reviewed and amended by Council in 2022
			It is being implemente d	
	Standard Operating procedure on Secretariat and Report writing	To provide a service that enables the Council to run its meetings smoothly. This includes the compilation of the agendas, scheduling of meetings and the distribution of the agendas and minutes to the members.	The SOP was developed and adopted by Council and being implimente d.	The SOP was developed and adopted by Council in 2020
	Council Standing Rules and Orders	Setting general council and special council and committee procedures and setting the rights of residents and human rights	The Rules were developed and adopted by Council and they are being implemente d	Last reviewed and amended by Council in 2022

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
	Records Management Policy	The policy ensures institutional memory is sustained through sound records management and be inline with National Achives Management Act. The municipality has a centralised records management unit which handles and files all the institutional records according to the approved file plan with clear retention period for all the files. Records management unit uses an electronic document management system to file documents for the purposes of backup plan in case of a disaster. The unit reviews all filed document's retention periods and for those with timeframes have lapsed, an application is done to the provincial archivist for disposal process to start and a council resolution is sort to dispose the identified document for disposal. Records management has an approved records management policy and records management operating procedure manual, these policy documents are reviewed by Council on an annually basis. Umzimvubu Local Municipality has an institutional year plan which is developed by sound governance section under corporate services depart, where all the activities including Council committee meetings, municipal strategic plans, municipal events, IDP outreach programme and other municipal programmes are reflecting in this year plan to avoid clashing of event and proper planning of municipal activities. The municipal year plan for the calendar year 2023 was approved by Council on the 25th of November 2022.	The Policy was developed and adopted by Council and is being implemente d.	Last reviewed and amended by Council in 2019

	Office Cleaning Services Management Procedure Manual	To provide Cleaning Services Management in a manner that enables the Umzimvubu Local Municipality to function effectively and increase in productivity.	The SOP was developed and adopted by Council and is being implemente	The SOP was developed and adopted by Council by 2020

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			d	
	Customer Care Policy	When customers come into contact with the municipality, they will always experience standards of service excellence	The Policy was developed and adopted by Council and is being implemente d	Last reviewed and amended by Council in 2019
	Batho Pele Service Charter	The Charter reflects our commitment to the principles of Batho Pele. It is in this spirit that the municipality wishes to maintain and improve our service delivery by actively engaging in the Batho Pele principles	The Charter was developed and adopted by Council and is being implemente d	Last reviewed and amended by Council in 2018
	Section 14 Manual	Foster a culture of transparency and accountability in its affairs by giving effect to the right of access to information; Actively promote and create an enabling environment in which requesters have effective access to information.	The Manual was developed and adopted by Council and is being implemente d.	Last reviewed and amended by Council in 2022
	Catering Policy	To indicate:	The Policy was developed and adopted by Council.	
		What meetings are allowed to have catering;	It is being implemente d	

		What other gatherings are allowed to have catering; and		
		What type of catering is allowed		
	Account and Password Management Policy	To prevent unauthorised user access to Umzimvubu local municipality information through deployment of user account and password management processes.	The Policy was developed and adopted by Council	This policy was developed in 2015 but it has been reviewed annually

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			It is being implemente d	
	ICT Security Policy	Establish and maintain management and staff accountability for the protection of information resources	The Policy was developed and adopted by Council	This policy was developed in 2010 but it has been reviewed annually
			It is being implemente d	
	ICT Strategy	To ensure that the municipality and ICT will allocated resources and establish priorities using the municipalities broader vision to enhance the business processes	The Strategy was developed and adopted by Council	This policy was developed in 2010 but it has been reviewed annually
			It is being implemente d	
	Windows 2008 Server Baseline Security Policy	To outline the steps you should take to improve the security of computers running Windows 2008 Server either on their own or as part of a Windows NT, or Windows 2008, or Windows Server 2003 domain	The Policy was developed and adopted by Council	This policy was developed in 2013 but it was reviewed in 2021
			It is being implemente d	

	Backup Policy	To protect data in the organization to be sure it is not lost and can be recovered in the event of an equipment failure, intentional destruction of data, or disaster.	The Policy was developed and adopted by Council	This policy was developed in 2010 it was reviewed in 2021
			It is being implemente d	
	Change Management Policy	To manage changes in a rational and predictable manner so that staff and stakeholders can plan accordingly	The Policy was developed and adopted by Council	This policy was developed in 2010 it was reviewed in

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
				2021
			It is being implemente d	
	Cellphone Policy	To regulate the procurement for, and use of cell phones by, councillors and staff of the Municipality	The Policy was developed and adopted by Council	This policy was developed in 2014 it was reviewed in 2022
			It is being implemente d	
	Landline Telephone Policy	To ensure the effective and efficient use of municipal telephones;	The Policy was developed and still has to be adopted by Council on the Council meeting due to sit on 30 May 2013	This policy was developed in 2013 it was reviewed in 2021

	ICT Disaster Recovery Plan	To ensure that should the Municipality experience disaster of any nature (e.g., firebreak, power surge or building is damaged etc.), the Municipality has contingency plans for backup systems.	The Plan was developed and adopted by Council	This policy was developed in 2015 it was reviewed in 2021
			It is being implemente d	
Basic Service Delivery	Building Regulations/By-Law	To fulfill the legislative requirement of National Building Regulation and Building Standards Act, and other relevant legislation	The Plan is being implemente d.	Local Authority 106/2019
		For prescribing of building standards within Urban Area jurisdiction and matters connected therewith.		
	By-Laws relating to dumping, littering and waste collection	To guide and regulate refuse removal and dumping		
	Fencing By-law			

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
	Hiring of TLB Policy			
Local Economic Development	Agrarian Development and Support Policy	Provide guidelines and monitoring strategies for Umzimvubu agrarian projects. To sustain the agrarian program through value chain addition To provide solutions in addressing socio-economic challenges in the rural communities of ULM. To forge links with institutions of higher learning in agricultural studies on research and innovation To provide guidelines for the implementation mechanization of agrarian reform program in all wards.	Adopted by the Council & continuousl y implemente d	Developed in 2010 & Last reviewed in 2019
	Business Regulation and Compliance Licence Policy	(a) ensures that informal trading is conducted in an orderly manner; (b) enables access to job and entrepreneurial opportunities within the business sector;(c) harmonizes the relationship between the informal trading sector and the formal trading sector; and (d) ensures the health and safety of the public.	Adopted by the Council & continuousl y implemente d	Developed in 2014 & last reviewed in 2019

	Tourism Development and Support Policy	(a) To promote tourism which is currently one of the biggest growth industries in South Africa. (b) To develop local tourist sites and facilities. (c) To increase the number of tourists visiting Umzimvubu; (d) To improve community participation in sustainable tourism;	Adopted by the Council & continuousl y implemente d	Developed in 2010 & Last reviewed in 2019
	SMME Development and Support Policy	(a) Introducing sufficient measures for the support and development of aspiring, new and established small, medium and micro enterprises that are physically located within the Umzimvubu municipal area of jurisdiction. (b) Strengthen Local SMME Development and Support System.	Adopted by Council & continuousl y implemente d	Developed in 2010 & Last reviewed in 2019
	Forestry Development Policy	To present a fundamental forestry development policy which can serve as a guideline to promote, support and foster a vibrant and sustainable forestry sector that contributes meaningfully to the attainment of our local economic development objectives	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019
	Trade and Investment Policy	To present a fundamental set of measures and guidelines that will help	Adopted by Council &	Developed in 2010 &

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
		attract new and retain existing local, domestic and foreign investment into the local economy of Umzimvubu Municipality to contribute towards local economic growth and job creation	continuousl y implemente d	last reviewed in 2019
	Consumer Protection Policy	To ensure fair, competitive and responsible markets that work well for consumers and promote ethical business practices. To promote and protect the economic interests of consumers.	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019
	Climate Change Policy	To present a fundamental set of measures and guidelines that helps people understand and address the impact of global warming, increases "climate literacy" within Umzimvubu communities, encourages changes in their attitudes and behaviour, and helps them adapt to climate change related trends.	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019

Integrated Environmental Management Policy	To promote the integrated of the social, economic, institutional and physical aspects of land development; - unified and integrated approach to planning.	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019
Poverty alleviation and reduction policy	The policy sets out the criteria and procedures to be followed to establish sustainable food gardens which may act as to aid in addressing food insecurity to low income earners. Under exceptional circumstances (major natural disasters), the ULM shall also support or provide for soup kitchens.	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019
Formal and Informal Trading By-Law	Provide for the right to engage in informal trading; to establish informal trading areas and informal trading sites on municipal property;	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019
Mining Policy	Regulate sand, quarry and burrow pit mining in Umzimvubu area	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019
Renewable Energy Policy	Promote the utilization of renewable resources for improvement of people's lives.	Adopted by Council & continuousl	Developed in 2010 & last

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			y implemente d	reviewed in 2019
	LED Project Development Procedure Manual	Introducing sufficient measures for the support and development of aspiring, new and established LED projects that are physically located within the Umzimvubu municipal area of jurisdiction.	Adopted by Council & continuousl y implemente d	Developed & Adopted in 2021
	Beneficiary Selection Policy	Provide the policy and guidelines of the LED Funding to Local SMME's, Projects and Cooperatives.	Adopted by Council & continuousl y implemente d	Developed & Adopted in 2021

	LED Funding Selection Policy	To stimulate the number of businesses and the level of economic activity within the ANDM, in order to rapidly eradicate poverty, reduce unemployment and create additional sources of income generation for the poor communities of the district.	Adopted by Council & continuousl y implemente d	Developed in 2010 & last reviewed in 2019
Financial Viability	Credit Control and Debt Management Policy	This policy serves to assist management and officials of Umzimvubu Local Municipality to implement and maintain consistent, efficient, and effective controls over their revenue receiving or income department to achieve and maintain high levels of revenue collection.	Adopted by the Council	The policy was reviewed in 2020-2021 for 2021-2022 impalemen tation.
	Banking and Investment Policy	To ensure that the municipality s cash resources are managed effectively and efficiently	Procedures developed and implemente d.	
	Asset Management Policy	To prescribe procedures f or the management of assets	Adopted by Council & continuousl y implemente d	01 May-2020
	Asset Disposal Policy	Ensure that only assets that do not provide the minimum level of basic municipal services are disposed of. Ensure that assets are not disposed when the disposal of the asset or the terms of the disposal of the asset could disadvantage the municipality or	Adopted by Council & continuousl y implemente d	01 May-2020

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
		community financially or otherwise. Ensure that all disposals are, in terms of section 14 (5) of the Municipal Finance Management Act (Act No. 56, 2003), fair, equitable transparent, competitive and consistent with the Supply Chain Management Policy of the Municipality		

	Budget Policy	The objective of this policy is to set out the budgeting principles which the municipality will follow in preparing each annual and adjustment budget, as well as the responsibilities of the Executive Mayor, Accounting Officer, Chief Financial Officer and Senior Managers in compiling such budget. Another objective of this budget policy is to set out a framework to deal with the shifting or virement of funds and budget allocations.	The policy was reviewed and adopted by Council	Developed in February 2005, Last reviewed March 2021
	Supply Chain Management Policy	The policy seeks to endure adherence to section 217 of the Constitution; and Part 1 of Chapter 11 and other applicable provisions of the Act (MFMA);	Bid Committees established Procedures developed and adhered to.	31-May-21
	Tariff Policy	Regulates levying of fees for a municipal service provided by the municipality or by way of service delivery agreements and which complies with the provisions of the Municipal Systems Act, the Local Government: Municipal Finance Management Act, 53 of 2003 and any other applicable legislation.	Adopted by the Council	The policy was reviewed in 2020-2021 for 2021-2022 impalemen tation.
	Petty Cash Policy	The main purpose for the Petty cash policy is to assist municipal departments with emergency payments of a minor and recurring nature where it is impracticable to follow Supply Chain Management policies and procedures	Implemente d	01st May 2020
	Value Added Tax Policy	The municipality is obligated by the VAT act to collect and pay over the portion of VAT that is owing to the Receiver of Revenue	Implemente d	01st May 2020

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
	Subsistance & Travelling Policy	The objective of the policy is to set out the basis for the payment of subsistence and travelling costs for officials and councilors travelling either to outlying areas of the Municipality's area of jurisdiction or beyond.	Implemente d	01st May 2020

	Cost Containment Measures	Objective of Cost Containment Measures is to ensure that resources of a municipality are used effectively, efficiently and economically.	Implemente d	01st May 2020
	Unauthorised, Irregular, Fruitless and Wastefull Expenditure	This policy aims to ensure that Unauthorised, irregular, or fruitless and wasteful expenditure is detected, processed, recorded, and reported in a timely manner;	Implemente d	01st May 2020
Good Governance & Public Participation	Functioning of ward committee policy	Seeks to fulfill the legislative call to ensure	Public Participatio n Policy was adopted by Council. All the Ward Committees were inaugurated and trained in in line with the new term of Council with took office in August 2016.	
		That participatory democracy is encouraged and an enabling environment is created for the optimum functioning of ward committees	They report on a monthly basis at the Office of the Speaker.	
	Social Assistance Policy	To provide for the mechanisms of rendering social assistance to persons; and to provide for rendering of immediate relief measures to the needy community members.		
	Customer Care Policy	When customers come into contact with the municipality, they will always experience standards of service excellence	The Policy was developed and adopted by	

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			Council.	

		To deal the custormer care and complaints management	It is being implemente d	
		To give effect to complaints handling mechanisms such as boxes that are installed in every municipal building and customer rating kiosy.		
		The system is linked to the presidential hotline		
		The system also makes provision of how petitions are dealt with in the municipality. The chairperson of the petitions committee remains the Speaker.		
	Communication Strategy	To provide guidance on how communication matters in and out of the municipality are handled	The strategy was adopted by Council in March 2022 and the communica tion action plan is reviewed on an annual basis.	Developed in March 2022 and Adopted by Council in March 2022.
	Pound Policy & Pound By-Law	Facilitate the implementation of a legally accepted process of controlling stray and trespassing livestock within the Central Business Centre, public roads and private properties within the Local Municipality Jurisdiction	Adopted and implemente d	Adopted on the 29th January 2021 and gazetted on the 14th June 2021.
	Indigent policy	The provision of procedures and guidelines for the subsidization of basic charges and the	Adopted by the Council	The policy was reviewed in 2020-2021 for 2021-2022 impalemen tation.
		- provision of free basic energy to indigent households;		
		- The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council		
	Housing Allocation Policy	To set a procedure that will guide the Council to deregister beneficiaries that have not claimed their houses for the period of two months.	It is being implemente d	2019

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED

	Cemetery, Funeral Undertakers and Crematoria By-Law	To preserve the heritage value of the cemeteries		
		- To improve the management, landscaping and maintenance of the cemetery.		
		- To improve the operation and administration of the cemetery.		
	Policy on street naming and awarding of council orders	Regulate the naming and renaming of street		
Good Governance & Public Participation	Risk Management Strategy	To ensure that management of the organizations are better prepared and equipped to manage the aforementioned challenge and attain its mandate of steering an organization to achievement of its strategic intent.	Adopted and being implemente d	The Risk Manageme nt Strategy was approved by Council in July 2021.
	Anti-Fraud and Corruption Policy	The purpose of this policy is to articulate Umzimvubu Local Municipality philosophy on fraud prevention plan. This document details steps which have been and will continually be taken by the municipality to promote ethical conduct and address fraud and corruption. In addition to promoting ethical conduct within the municipality the plan is also intended to assist in preventing, detecting, investigation and resolution.	Adopted and being implemente d	The Anti-Fraud and Corruption Policy was approved by Council in July 2021.
	Audit Committee Charter	The purpose of this charter is to set out the membership, authority, responsibility, and status of the APC within the municipality. The Audit and Performance Committee of the municipality shall perform its activities in line with this charter and the charter shall be reviewed at least annually to ensure its relevance.	Adopted and being implemente d	The Audit & Performanc e Committee Charter was approved by Council in July 2021.
	Internal Audit Charter	To set out the statement of purpose, authority and responsibility of Internal Audit within Umzimvubu Local Municipality and to outline the scope of the Internal Audit work. The internal audit charter establishes the internal audit activity's position within the	Adopted and being implemente d	The 2021/2022 Internal Audit Charter was approved

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
		municipality, including the nature of the internal audit functional reporting and relationship with the audit committee and management, authorizes access to record, personnel, and physical properties relevant to the performance of engagements.		by the Audit & Performanc e Committee in June 2021.
SPATIAL PLANNING	Spatial Development Framework	The Spatial Planning policies are intended to create a holistic approach for the development of Mount Frere and Mount Ayliff.These plans are important tools for supporting adequate planning, service delivery and infrastructure needs within the municipal jurisdiction.	Under review	Approved and adopted in 2015
	Land Use Scheme Regulations		Under review	Approved and adopted in 2016
	Spatial Planning and Land Use Management Bylaws		The bylaws were approved by council	Approved and adopted in 2016
	Urban Regeneration Plans and Urban Design Framework,		The plan has been adopted by council	Aproved by council in 2021
	Precinct Plan (Vision 2030)		The plan has been adopted by council	Approved by council 2016
	Outdoor advertising and signage bylaw	To regulate all signage, advertisements displayed or to be displayed within the area of jurisdiction of the Council. - To provide for procedures, methods and practices to regulate signage, advertisements displayed or to be displayed within the area of jurisdiction of the Council.	The bylaw has adopted and approved by council	The bylaw was approved by council in 2012
	Liquor trading hours by law	To Regulate the hours during which liquor may be sold and regulate the operating hours of premises where on site consumption of liquor takes place in the demarcated municipal area and to provide for accidental matters.	By law gazetted and it is being implemente d.	04-Nov-19

	Parking Meter By Law	Seeks to regulate parking with its area of jurisdiction and matters incidental thereto.	By law gazetted and it is being	04-Nov-19

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
			implemented.	
	Public road and Miscellaneous By Law	To deal with all the offenses relation to public road and open spaces.	By law gazetted and it is being implemented.	04-Nov-19
	Noise Control By Law	To control noise in the municipal area for the benefit of citizens or visitors of the municipality.	By law gazetted and it is being implemented.	14-Jun-21
	Impoundment of Animals By Law	Formalise the procedural steps that have to be complied with impounding of animals that take place. To promote the enforcement of stray animals and animals in dispute and to maintain a healthy and safety environment.	By law gazetted and it is being implemented.	14-Jun-21
	Keeping of Animals, Birds, poultry and pets By Law	To control the keeping of domestic animals in the urban area.	By law gazetted and it is being implemented.	14-Jun-21
	Public Health and Nuisances By law	To keep the municipal area in Healthy condition. To enable the council to protect and promote the long-term health and wellbeing of the local community in its municipal area.	by law gazetted and it is being implemented.	30-May-08
	Allocation of taxi ranks By Law	To regulate taxi operations in the rank owned by the municipality.	by law gazetted and it is being implemented.	30-May-08

Street Trading By Law	Control of Street traders	By law gazetted and it is being implemente d.	30-May-08

KPA	POLICY/BY-LAW	POLICY OBJECTIVE	STATUS QUO	YEAR DEVELOPED & ADOPTED
	Municipal parking ground By Law	To regulate municipal parking grounds.	By law gazetted and it is being implemente d.	30-May-08
	Access control SOP	To protect employees and departmental institutions against security breaches.	Adopted by the council and it is being implemente d.	29-Jan-21
	Law Enforcement, Licensing and administrative service standard operating procedure SOP	To improve Law Enforcement and Licensing service delivery and safety of employees.	Adopted by the council and it is being implemente d.	21-Nov-20
	Social Relief of distress SOP	Intended for people who are in dire need and are unable to meet their families most basic needs.	Adopted by the council and it is being implemente d.	13-Aug-21
	Impoundment of goods and animals SOP.	Enable the law enforcement section in the municipality to act with confidence in impounding goods or animals.	Adopted by the council and it is being implemente d.	29-Jan-21
	CCTV surveillance cameras policy	To protect municipal property, to ensure safer environment within the municipality and support the municipality in a bid to deter and detect crime by providing in support of an enquiry.	Adopted by the council and it is being implemente d.	30-Jan-18
	ULM Firearm policy and procedures.	To ensure proper control of all firearms ammunitions issued to officials to perform their functions and for self defence in the line of their duties and to provide for matters incidental thereto.	Adopted by the council and it is being implemente d.	03-Sep-19
	Disaster Management Plan	To be seen as an information guide to the relevant role players.	Adopted by the council and it is being implemente d.	03-Jan-19

Component G: Sport and Recreation

3.11. Special Programmes

Special Programs is the unit operating under the office of the mayor. The unit gives more attention on lobbying and advocating for mainstreaming the programs meant for vulnerable groups. The unit is functional and has already conducted all special programs related activities that are were already due.

Elderly

Amongst other vulnerable groups the unit is coordinating, is the elderly group. The unit conduct activities and convenes quarterly meeting each and every quarter as required and as and when requested necessary. The unit is working very close with Umzimvubu Elderly Forum.

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
1. **Elderly Christmas**	Christmas Vouchers	18 & 28	Elderly People

PWD

People with Disability is another group that is vulnerable, and its programs and activities are coordinated by Special Programs Unit. The unit conduct activities and convenes quarterly meeting every quarter as required and as and when requested necessary. The unit is working very close with Umzimvubu Disability Forum.

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
1. **Disability Program**	International Day of People Living with Disability	EmaXesibeni	PWD

Children

Special Programs Unit also coordinates children's related activities.

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
Christmas gifts	Gifts for Children	EmaXesibeni and KwaBhaca	Children
Back to School	Back to School Campaign	EmaXesibeni and KwaBhaca	100

Youth

SPU also coordinates youth related programs such as youth development program and also supporting the youth led project. The unit further coordinates quarterly meetings for the youth.

Initiation

The municipality through office of the speaker in all seasons leads a program of ensuring that the initiation program become a success. Umzimvubu Initiation Forum is mandated to conduct an oversight during the initiation season at a local level KwaBhaca and EmaXesibeni) and it is reporting directly to the District Initiation Forum. The forum is made up of the following stakeholders: Department of Health, Traditional Leaders, two Councillors from Umzimvubu Local Municipality, members of South African Police Services, COGTA, Department of Education, Social Development and NGO's dealing with the issues related to circumcision. During 2022/23 financial year, the Initiation Forum conducted awareness campaigns and visits for both Initiation Seasons. These campaigns were an effort made to ensure safety of Initiates during the initiation process.

Women

The unit coordinates women related activities and convenes quarterly meetings for women. The unit works closely with the women's caucus in coordinating women programs.

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
Women's day	Women's day celebrations	Ward 16	56
Support Women led project	Supporting women led project	Ward 16	01

Jobs created by EPWP projects		
Year	**No of EPWP projects**	**No of Jobs created**
2024/2025	36	705

3.16. Sport Development

The Municipality has conducted Youth Development programmes in a form of Mayoral Tournament. All 28 wards participated in the tournament. The Mayoral Tournament benefited both young men and women who are participate in sport as it accommodates Soccer and Netball.

CUSTOMER CARE

Petitions and complaints management

Systems Act 32 of 2000, section 17(2) (a) stipulates that a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in its affairs, and to this end make provision for the receipt, processing and consideration of petitions and complaints lodged by members of the local community. The municipality is guided by the petitions policy on how to manage the complaints and petitions.

Presidential Hotline Complaints

The unit checks the complaints on the presidential hotline system on daily basis and responds to them within 48 hours. The unit also have the responsibility to route the complaints to the relevant departments. This function is being done well, and the municipality is currently sitting at 100 % performance as per the OTP report.

Employees : SPU & Communications					
Level	**2023/2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3	0	0	0	0	
4-6	29	29	29	0	0%
7-9	4	4	4	0	0%
10-12	4	5	4	1	20%
13-15	0	0	0	0	0%
16-18	**3**	**3**	**3**	**0**	0%

Employees : SPU & Communications					
Level	2023/2024	2024/2025			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
S 56	1	1	1	0	0%
Total	41	42	41	1	2,4%

Component C: Public Accountability and Participation

2.5. Public Meetings

IDP & BUDGET ROAD SHOWS

WARD NO.	DATE OF THE MEETING	COMMENTS ON DRAFT IDP & BUDGET	GENERAL SERVICE DELIVERY COMMENTS
1-28	The IDP to revise IDP Ward Priorities towards the 2025-2026 was held from the 14th to the 17th of October 2025.		The general community concerns range from water scarcity due to non-functional water schemes. Access Roads that are in poor condition due to floods and the slow pace of completion of some electrification projects. The other issue that was raised by the citizens of Umzimvubu is the dissatisfaction with the pace of the construction of the RDP Houses by the department of Human Settlements and the refurbishment of the Provincial Roads by the department of Transport.
1-28	The IDP to present Draft IDP Projects & Budget for the 2025-2026 was held from the 14 – 17 April 2025.		The general community concerns range from water scarcity due to non-functional water schemes. Access Roads that are in poor condition due to floods and the slow pace of completion of some electrification projects. The other issue that was raised by the citizens of Umzimvubu is the dissatisfaction with the pace of the construction of the RDP Houses by the department of Human Settlements and the refurbishment of the Provincial Roads by the department of Transport.

3.4 Free Basic Services and Indigent support

Background:

The municipality provides free basic services in the form of paraffin, solar and electricity from Eskom. Paraffin and solar is provided to indigent households who are not connected to the main grid. The municipality has a register of indigent households of 6684 which is reviewed bi-annually.

Year	Free Basic Services to Low Income House holds						
	Number of House Holds						
	Total	House Holds Earning Less than R4 380 Per month					
		Free Basic Electricity			Alternative energy		
		Total	Access	%	Total	Access	%
2024/2025	6684	3271	1199	37%	3413	2836	83%

Financial Performance 2024/2025: Cost to the Municipality Free Basic Services Delivered					
Services Delivered	2023/2024	2024/2025			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Free Basic electricity and free Basic Alternative Energy	4 036 613.06	7 720 000	0	6 790 904.85	929 095.15
Indigent Burial Support	N/A	N/A	N/A	N/A	N/A
Rates	0	0	0	0	0
Free Basic Services: Refuse removal and compilation of indigent register	0	0	0	0	0

Challenges:

- **Eskom data that does not align with municipal indigent register (demarcation mismatch)**
- **FBS communication not communicated effectively to wards**
- **Shortage of staff.**
- **Applicants do not submit required documentation.**
- **Tempering of Meter box whereby the applicant is approved to receive FBE, but he/she is not collecting FBE token because of tempering.**
- **Non-collection of paraffin subsidy by beneficiaries.**

3.18. Financial Services

The department has one vacancy out of all funded positions

	Post	Vacant or Filled
1.	Chief Financial Officer	Filled
2.	Personal Assistant	Filled
3.	DCFO	Filled
4.	M : Supply Chain Management	Vacant
5.	M : Expenditure	Filled
6.	M : Revenue	Vacant
7.	M : Budgeting, Planning, Reporting & Investments	Filled
8.	M; Asset Management	Filled
9.	Accountant: Budget, Planning, Reporting and Investments	Filled
10.	Accountant: Asset Management	Filled
11.	Accountant: Revenue	Filled
12.	Accountant: Expenditure	Filled
13.	Expenditure Officer	Filled
14.	Payroll Officer	Filled
15.	Credit Control Officer	Filled
16.	Free Basic Services Coordinator	Filled
17.	Cashiers(X2)	Filled
18.	Messenger Drivers(X2)	Filled
19.	Logistics Officer	Filled
20.	Asset Management Officer-Movable	Filled
21.	Asset Management Officer-Immovable	Filled
22.	Demand Management Officer	Filled
23.	Procurement Officer	Filled
24.	Senior SCM Officer	Vacant

The Budget and Treasury Office is made up of the following sections, all of which are functional and are able to perform at the expected levels:-

- **Revenue Management**:

- ✓ Compilation of General valuation roll as well as supplementary valuation roll
- ✓ Accurate billing
- ✓ Collection of revenue due to the municipality on monthly basis
- ✓ Provide indigent support to indigent households
- ✓ Maintenance of internal controls over debtors and revenue

- **Expenditure Management**:

  Payment of creditors

  Payment of staff salaries and Councillors remuneration

  VAT returns

- **Supply Chain Management**:

  Responsible for procurement of goods and services

  Stores management

  Logistics management

  Contracts management

  Fleet management

- **Asset Management**

  Safeguarding of Council assets

  Maintenance and management of Fixed Asset Register

- **Budgeting, Planning, Reporting and Investments**

  The unit is responsible for:

  Budget preparation and management

  Grants management

  Statutory reporting

  Investments management

Debt recovery						
Details of the types of account raised and recovered	2023-2024		2024-2025		2025/2026	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in %	Actual for accounts billed in year	Proportion of accounts value billed that were collected in %	Estimated outturn for accounts billed	Estimated proportion of accounts value billed
Property rates	1829	94%	3848	89%	3821	95%
Refuse removal	655	94%	711	88%	711	95%
Other						

Employees: Budget and Treasury					
Level	**2023-2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3					
4-6					
7-9	5	5	5	0	0
10-12	13	13	12	1	0.07
13-15	7	7	7	0	0
Total	25	25	24	1	0.07

Chapter 5: Financial Management

5.1. Statement of Financial Performance

Financial Performance Year 2024/2025: Budget and Treasury					
Details	**2023-2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance to the Budget**
Total Operational Revenue	R487 777 059	R596 825 700	R629 869 000	R531 093 751	-R98 775 249
Expenditure					
Employees	R93 007 309	R97 887 000	R100 498 357	R100 284 906	R213 451
Remuneration of Councillors	R23 558 458	R24 485 000	R24 539 000	R24 538 553	R447
Contracted Services	R93 093 832	R122 452 262	R121 891 000	R130 618 063	R-8 727 063
Operational Costs	R72 508 964	R82 607 000	R82 992 643	R64 725 554	R18 267 089
Transfer and subsidies	R18 700 091	R15 262 000	R23 516 000	R22 455 425	R1 060 576
Depreciation	R77 989 258	R113 470 000	R113 470 000	R82 441 563	R31 026 437
Inventory Consumed	R6 515 786	R7 393 502	R7 822 000	R6 472 498	R1 349 502
Finance Costs	R845 018	R0	R0	R2 118 853	R2 118 853
Unclaimed VAT	R2 347 536	R0	R0	R1 849 849	R1 849 849
Debt impairment	R10 982 951	R12 892 000	R15 892 000	R17 992 418	R2 100 418
Other Losses	R0	R20 000	R20 000	R0	R20 000
Total Operating Expenditure	**R428 969 179**	**R476 468 960**	**R490 641 000**	**R453 497 681**	**R37 143 319**
Surplus or (deficit)	**R58 807 880**	**R120 356 740**	**R139 228 000**	**R77 596 070**	**-R61 631 930**

5.2. Grants

Umzimvubu Local Municipality has received grant funding for the **2024/2025** financial year as indicated in the Division of Revenue Act of 2024. The grant funding for**2024/2025 F**inancial year is as follows:-

Description	2024/2025 Adjusted Budget	2025/2026 Budget	2026/2027 Budget
EQUITABLE SHARES	R289 930 000	R288 295 000	R286 246 000
FINANCIAL MANAGEMENT GRANT	R1 700 000	R1 800 000	R2 000 000
MIG	R54 199 000	R57 096 000	R61 915 000
ELECTRIFICATION GRANT	R18 850 000	R14 970 000	R18 000 000
EPWP GRANT	R2 773 000	R2 980 000	R0
DISASTER GRANT	R36 575 345	R26 848 000	R0

- **Equitable Share**: is utilized mainly for funding operations and could also be used for a smaller portion of capital expenditure
- **Municipal Infrastructure Grant**: is a conditional grant for the funding of municipal infrastructure developments
- **Financial Management Grant**: is aimed at building the financial management capacity as well as for the procurement and maintenance of financial systems.
- **District Municipality Transfers**: is funding received from the District Municipality for planning and implementation of functions that we undertake on their behalf and for the compilation of the Integrated Development Plan of the local municipality.

Other grant funding the year:-

Description	2024/2025 Adjusted Budget	2025/2026 Budget	2026/2027 Budget
LIBRARY SUBSIDY	R2 869 954	R1 473 000	R0
LED ASSISTANCE GRANT			
IDP GRANT			
GIS SHARED SERVICES GRANT			
SDF GRANT			

- **Other grants**: these are received at various intervals for LED projects, and Library Subsidy.

Component B: Spending Against Capital Budget

5.4. Capital Expenditure

The following table shows the capital expenditure incurred by the municipality for the 2024/2025 financial period:-

Description	2024/2025 Adjusted Budget	ACTUAL
ROAD INFRASTRUCTURE	R115 102 000	R97 607 736
ELECTRICITY INFRASTRUCTURE	R18 850 000	R16 642 043
COMMUNITY HALLS	R8 000 000	R8 000 000
VEHICLES	R 750 000	R701 627
COMPUTER HARDWARE AND EQUIPMENT	R4 650 000	R1 272 895
FURNITURE AND OFFICE EQUIPMENT	R450 000	R77 627

5.5. Sources of Finance

Apart from grant funding, the municipality also has other funding streams. It is important to note that these streams still form a very limited portion of the overall revenue generated and strategies and plans still need to be crafted to turn the situation around.

Description	Original 2024/2025 Budget	YTD ACTUAL
ASSESSMENT RATES: RESIDENTIAL	R49 910 000	R64 664 732
Agency Services	R2 900 000	R2 364 094
Interest	R 12 780 000	R11 047 411
Licenses and permits	R1 750 000	R2 163 878
Operational Revenue	R4 035 000	R112 630
Rental of fixed assets	R4 708 000	R5 426 054
Sales of goods	R23 643 760	R46 668 826
Refuse removal	R1 482 000	R1 360 462

Component C: Cash Flow Management and Investment

5.8 Cash flow

The municipal cashflow shows an increase in cash and cash equivalent at year end compared to the preceding year.

5.9. Borrowing and Investment

The municipality does not have borrowings

The value of investments has increased from R64.6 million to R88.7 million as at the end of the 2024/25 financial year.

Component D: Other Financial Matters

Assessment of Arears and debt

Region	Department	Current	30 days	60 days	90 days	120 Days +	Total
e.g Umzim	Agriculture	-	-	-	-	-	-
	Health	-	705,07	1 002,79	116,14	14,18	1 838,18
	Public Works	-	55 736,66	41 991,09	125 793,73	2 223 570,71	2 447 092,19
	Alfred Ndzo	-	7 760,18	7 755,85	7 751,50	506 248,03	529 515,56
	Socila Developments	-	-	-	-	-	-
	Residents	-	398 477,41	399 893,61	376 441,92	3 071 821,80	4 246 634,74
	Councillors	-	-	-	-	-	-
	Staff	-	- 10,29	-	-	- 0,53	- 10,82
	Businesses &Commercials	-	430 918,63	424 564,89	414 814,93	4 701 913,59	5 972 212,04
	DLRRD	-	8 845,39	9 834,76	9 820,31	952 325,50	980 825,96
	Nat.Departments	-	15 176,79	15 834,65	17 375,83	1 115 276,80	1 163 664,07
	Grand Total	**-**	**917 609,84**	**900 877,64**	**952 114,36**	**12 571 170,08**	**15 341 771,92**

	Residential	4 246 623,92
	Business	5 972 212,04
	governement	5 122 935,96
	Total	**15 341 771,92**

Investments

Investmer	'All Investments			Account N	'ALL Accounts										
Financial	2025														
Period Fro	202407			Period To:	202506										
Report Ty	Summary														
Quarter:	All Quarters														
									Period Opening Balance						
Institution	System #	Bank Nam	Account #	Investm S	Investmer	Term Valu	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Interest P	Int Capitalised	Charges	Balance
FNB	'000031	Operation	'60029450	01/07/202	30/06/203	Y	202409	10	9 307,73	8 000 000,00	- 8 000 000,00		11 361,01		20 668,74
FNB	'000031	Operation	'60029450	01/07/202	30/06/203	Y	202412	10	20 668,74				395,37		21 064,11
FNB	'000031	Operation	'60029450	01/07/202	30/06/203	Y	202503	10	21 064,11				377,93		21 442,04
FNB	'000031	Operation	'60029450	01/07/202	30/06/203	Y	202506	10	21 442,04				379,74		21 821,78
FNB	'000032	Service De	'62033254	01/07/202	30/06/203	Y	202409	10	53 340,30	76 000 000,00	- 54 000 000,00		648 498,19		22 701 838,49
FNB	'000032	Service De	'62033254	01/07/202	30/06/203	Y	202412	10	22 701 838,49	80 000 000,00	- 79 900 000,00		515 813,28		23 317 651,77
FNB	'000032	Service De	'62033254	01/07/202	30/06/203	Y	202503	10	23 317 651,77	111 482 000,00	- 94 000 000,00		531 756,34		41 331 408,11
FNB	'000032	Service De	'62033254	01/07/202	30/06/203	Y	202506	10	41 331 408,11	42 888 000,00	- 63 513 000,00		245 096,77		20 951 504,88
FNB	'000033	Mig Bank I	'62086036	01/07/202	30/06/203	Y	202409	10	3 057 967,57	38 598 000,00	- 20 725 345,09		260 149,55		21 190 772,03
FNB	'000033	Mig Bank I	'62086036	01/07/202	30/06/203	Y	202412	10	21 190 772,03	12 110 000,00	- 25 481 069,57		265 192,87		8 084 895,33
FNB	'000033	Mig Bank I	'62086036	01/07/202	30/06/203	Y	202503	10	8 084 895,33	10 491 000,00	- 7 654 658,88		107 632,93		11 028 869,38
FNB	'000033	Mig Bank I	'62086036	01/07/202	30/06/203	Y	202506	10	11 028 869,38		- 11 083 503,36		105 514,97		50 880,99
NEDBANK	'000034	Nedbank B	'78811127	01/07/202	30/06/203	Y	202409	5,75	36 752 836,82	30 000 000,00			1 418 359,27		68 171 196,09
NEDBANK	'000034	Nedbank B	'78811127	01/07/202	30/06/203	Y	202411	5,75	68 171 196,09		- 30 684 369,86		517 094,65		38 003 920,88
NEDBANK	'000034	Nedbank B	'78811127	01/07/202	30/06/203	Y	202503	5,75	38 003 920,88				957 071,59		38 960 992,47
NEDBANK	'000034	Nedbank B	'78811127	01/07/202	30/06/203	Y	202506	5,75	38 960 992,47				714 587,42		39 675 579,89
FNB	'000035	Guarantee	'62068742	01/07/202	30/06/203	Y	202409	10	162 462,71				3 568,58		166 031,29
FNB	'000035	Guarantee	'62068742	01/07/202	30/06/203	Y	202412	10	166 031,29				3 176,00		169 207,29
FNB	'000035	Guarantee	'62068742	01/07/202	30/06/203	Y	202503	10	169 207,29				3 035,86		172 243,15
FNB	'000035	Guarantee	'62068742	01/07/202	30/06/203	Y	202506	10	172 243,15				3 050,49		175 293,64
FNB	'000036	Fmg Bank	'62276187	01/07/202	30/06/203	Y	202409	10	186 164,97	1 700 000,00			15 760,06		1 901 925,03
FNB	'000036	Fmg Bank	'62276187	01/07/202	30/06/203	Y	202412	10	1 901 925,03		- 169 666,59		35 934,54		1 768 192,98
FNB	'000036	Fmg Bank	'62276187	01/07/202	30/06/203	Y	202503	10	1 768 192,98				31 724,38		1 799 917,3
FNB	'000036	Fmg Bank	'62276187	01/07/202	30/06/203	Y	202506	10	1 799 917,36		- 1 815 906,00		23 305,23		7 316,
FNB	'000037	Electrifica	'62288560	01/07/202	30/06/203	Y	202409	10	1 136 753,12	7 955 000,00	- 7 401 516,93		97 727,66		1 787 963,8
FNB	'000037	Electrifica	'62288560	01/07/202	30/06/203	Y	202412	10	1 787 963,85	9 387 000,00	- 7 952 683,38		54 200,42		3 276 480,89
FNB	'000037	Electrifica	'62288560	01/07/202	30/06/203	Y	202503	10	3 276 480,89	6 886 000,00	- 1 514 380,60		81 570,49		8 729 670,78
FNB	'000037	Electrifica	'62288560	01/07/202	30/06/203	Y	202506	10	8 729 670,78		- 4 168 969,40		106 909,37		4 667 610,75
FNB	'000038	Housing Ba	'62891519	01/07/202	30/06/203	Y	202407	10	185,50						185,50
FNB	'000038	Housing Ba	'62891519	01/07/202	30/06/203	Y	202412	10	185,50				3,55		189,05
FNB	'000038	Housing Ba	'62891519	01/07/202	30/06/203	Y	202503	10	189,05				3,39		192,44
FNB	'000038	Housing Ba	'62891519	01/07/202	30/06/203	Y	202506	10	192,44				3,41		195,85
FNB	'000044	MD RECOV	'63093652	01/03/202	30/06/204	Y	202409	10	19 015 181,40	16 370 000,00	- 17 581 798,19		301 580,41		18 104 963,62
FNB	'000044	MD RECOV	'63093652	01/03/202	30/06/204	Y	202412	10	18 104 963,62		- 14 609 516,55		207 886,60		3 703 333,67
FNB	'000044	MD RECOV	'63093652	01/03/202	30/06/204	Y	202503	10	3 703 333,67	21 478 000,00	- 5 722 651,63		250 146,46		19 708 828,50
FNB	'000044	MD RECOV	'63093652	01/03/202	30/06/204	Y	202506	10	19 708 828,50		- 13 805 403,45		267 262,40		6 170 687,45
STD	'000045	STD BANK	'42011197	01/11/202	30/11/202	Y	202412	7,9		45 000 000,00			534 051,36		45 534 051,36
STD	'000045	STD BANK	'42011197	01/11/202	30/11/202	Y	202503	7,9	45 534 051,36	40 000 000,00	- 45 980 794,99		348 329,24		39 901 585,61
STD	'000045	STD BANK	'42011197	01/11/202	30/11/202	Y	202506	7,9	39 901 585,61		- 40 841 863,01		940 277,40		
TOTAL													**9 608 789,18**		**71 720 891,82**

5.10. GRAP Compliance

The municipality has been fully compliant with the GRAP reporting requirements and reporting. The Financial Statements for 2024/2025 were compiled in line with the GRAP requirements.

UMZIMVUBU LOCAL MUNICIPALITY

Audit Report

For the year ended 30 June 2025

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to Eastern Cape Provincial Legislature on Umzimvubu Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Umzimvubu Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Umzimvubu Local Municipality as at 30 June 2025 and its financial performance and separate cash flows for the year then ended, in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) the Division of Revenue Act 24 of 2024 (Dora).

Context for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material impairments – receivables

7. As disclosed in notes 5 and 6 to the financial statements, material cumulative allowance for impairment losses of R9,8 million (2024: R9,4 million) and R44,9 million (2024: R36,9 million).

Responsibilities of the accounting officer for the financial statements

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

9. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description forms part of our auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

13. I selected the following programme presented in the annual performance report for the year ended 30 June 2025 for auditing. I selected a programme that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Strategic objective
Basic service delivery and infrastructure	XX	To provide access to improved, sustainable, and modernised infrastructure to the community

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

15. I performed procedures to test whether

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

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the basic service delivery and infrastructure programme.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

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

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

Basic service delivery and infrastructure

Targets achieved: 86%. *Budget spent: 80%*		
Key service delivery indicators not achieved	**Planned target**	**Reported achievement**
Number of kilometres of unsurfaced road network maintained.	116.4	64.2
Number of milestones conducted towards the construction of Bhakaleni to Sekileni access road & bridge and Mt White Access Road	1	0

Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure programme. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

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

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

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

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

Other information in the annual report

26. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

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

Auditor-General

East London

30 November 2025

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the municipality's compliance with selected requirements in key legislation.

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act (Act No. 56 of 2003)	Section 122(1), Section 122(2), Section 126 (1) (a) and 126(1)(b), Section 133 (1)(a) and 133 (1)(c), Section 127(2) and 127(5)(a), Section 129(1) and 129(3), Section 65(2) (e) and 65(2) (a), Section 11(1), Section 62(1)(d), Section 87(8), Section 15 Section 29(1) and 29(2)(b), Section 62(1)(f)(i) and 62(1)(f)(ii), Section 63(2)(a), Section 64(2)(e) and 64(2)(b), Section 64(2)(c) and 64(2)(g), Section 13(2) Section 14(1), Section 14(2)(a) and 14(2)(b), Section 33(2), Section 170, Section 32(2) and 32(6)(a), Section 171 (4)(a), Section 53(1)(c)(ii), Section 1 Section 72(1)(a)(ii), Section 24(2)(c)(iv), Section 54(1)(c), Section 117
Municipal Budget and Reporting Regulations	Regulation 71 (1) and 71 (2), Regulation 72
Municipal Structures Act (Act No.32 of 2000)	Section 74(1), Section 96(b), Section 29(1)(b)(ii) Section 42, Section 25(1), Section 26, Section 41(1)(a) and 41(1)(b), Section 43(2), Section 4(a) and 41(1)(c)(ii), Section 34(b), Section 38(a)
Municipal Property Rates Act (Act No.06 of 2004)	Section 3 (1)
Municipal investment regulations	Regulation 3(1)(a) and 3(3), Regulation 6, Regulation 7, Regulation 12(2) and 12(3)
Prevention and Combatting of Corrupt Activities Act (Act No.12 of 2004)	Section 34(1)
Municipal Planning and Performance Management Regulations	Regulation 15(1)(a)(i), Regulation 2(1)(e), Regulation 2(3)(a), Regulation 9(1)(a) Regulation 10(a), Regulation 12(1), Regulation 3(4)(b) and 15(1)(a)(ii), Regulation 3(3), Regulation 8, Regulation 7(1)
Disciplinary Regulations for Senior Managers	Regulation 5(2), Regulation 5(6), Regulation 8(4)
Financial Misconduct Regulations	Regulation 5(4), Regulation 6(8)(a), Regulation 10(1)
Supply Chain Management Regulations	Regulation 121(1)(c), Regulation 16(a), Regulation 17(a) and (c), Regulation 17(b), Regulation 43, Regulation 19(a) &(b), Regulation 369(1) (a), Regulation 12(3), Regulation 27(2)(a) &(e), Regulation 22(1)(b) & 22(2), Regulation 28(1)(a)(i) Regulation 21(b), Regulation 29(1)(a) & (b), Regulation 29(5)(a)(ii) & (b)(i), Regulation 13(c), Regulation 38(1) (c.), Regulation 38(1)(d)(ii) & (g)(iii), Regulation 38(1) (e.), Regulation 38(1)(g)(i) and 38(1)(g)(ii), Regulation 32, Regulation 5, Regulation 44, Regulation 46(2)(e) and 46(2)(f)

Legislation	Sections or regulations
Preferential Procurement Policy Framework Act (Act No.5 of 200)	Section sec 2(1)(a), Section 2(1)(f)
Public Procurement Regulations of 2017	Regulation 6(1) and 7(1), Regulation 6(8), 7(8), 10(1) & (2) & 11(1), Regulation 5(1) & 5(3), Regulation 5(6) Regulation 5(7), Regulation 9(1)
Public Procurement Regulations of 2022	Regulation 4(1) and 5(1), Regulation 4(4) & 5(4)

Component A: Auditor's Opinion on the Finance Statement for Prior Year.

6.1. Prior Year Comments

The municipality's audit opinion has improved as the municipality obtained an unqualified audit opinion with no material misstatements (clean audit).

6.2. Current Year

The municipality's audit opinion has retained an unqualified audit opinion with no material misstatements (Clean Audit) as evidenced in the reduction of Communicated Audit Findings from 30 material misstatements in 2023/2024 financial year to 19 material misstatements in 2024/2025 financial year.

REVENUE COLLECTION BY SOURCE

Description	Original 2024/2025 Budget	YTD Actual
ASSESSMENT RATES: RESIDENTIAL	3 267 930	2 431 311.22
METER REPLACEMENT	0	0
LEASEHOLD FEES	4 340 000	4 976 008.72
HALL HIRE	50 000	61 132.19
INTEREST ON INVESTMENTS	10 000 000	10 035 037.21
INTEREST ON CREDIT BALANCE	580 000	472 990.73
TRAFFIC FINES	3 177 000	1 495 150.00
ADVERTISING INCOME	160 000	167 047.50
BUILDING PLANS	140 000	167 264.11
INTEREST IN ARREARS	2 200 000	5 235 671.43
ELECTRICITY CONNECTIONS	0	0
RECONNECTIONS	0	0
FINES – GENERAL	0	10 200.00
DEPT TRANSPORT - LICENCING STA	1 765 000	2 163 878.34
NATIS AGENCY FEES	2 900 000	2 364 093.91
VENDING & HAWKING	200 000	223 412.93
COMMISION RECEIVED		
REFUSE – INCOME	1 482 600	1 360 461.80
FUNERAL FEES	15 000	17 499.11
BASIC ELETRICITY	0	0
TENDER FEES	100 000	5 543.45
LAND SALES	0	1 412 342.75
ZONING FEES	8 000	2929.37
POUND FEES	1 350 000	863 419.54
RECREATIONAL FACILITIES	165 000	236 781.97

The bid committees are appointed for specific projects with the following principle applied at all times:

- All bid committees are appointed by Accounting Officer for the entire financial year.
- In accordance with the provisions of Section 79 (1) (a) and (b) of the Municipal Structures Act 1998, a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members.

- Furthermore Section 79 (2) of the Municipal Structures Act, 1998 provides the framework and guidelines within which such committees of council shall operate.
- MPAC has been established to exercise oversight as delegated by Council, promote transparency, public accountability and ensure good governance in the municipality as in terms of Section 53 and 59 of the Local Government: Municipal Systems Act, Act 32 of 2000.
- The MPAC of Umzimvubu Local Municipality consist of nine (9) councillors including the chairperson represented by each political party.

2.11. MPAC Committee

In accordance with the provisions of Section 79 (1) (a) and (b) of the Municipal Structures Act 1998, a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members.

Furthermore Section 79 (2) of the Municipal Structures Act, 1998 provides the framework and guidelines within which such committees of council shall operate.

MPAC has been established to exercise oversight as delegated by Council, promote transparency, public accountability and ensure good governance in the municipality as in terms of Section 53 and 59 of the Local Government: Municipal Systems Act, Act 32 of 2000.
The MPAC of Umzimvubu Local Municipality consist of nine (9) councillors including the chairperson represented by each political party.

ROLES AND RESPONSIBILITIES OF THE MPAC

a) MPAC has no executive powers;

b) The oversight role of MPAC is to review the Umzimvubu Local Municipality's Annual Report with specific focus on the financial aspects as contained in the Auditor General's Report on the Annual Financial Statements of the Municipality and also when instructed by Council to advise Council in respect of unauthorised, irregular or fruitless and wasteful expenditure.

c) The Municipality's oversight report as envisaged in Section 129 of the MFMA is prepared for adoption by Council by following due process. MPAC's due process entails -

- consider and make recommendations on the Report to Council regarding specific reports of the Auditor-General; and queries, comments and responses in respect thereof;

- investigate the alleged misappropriation of municipal funds by Councillors and/or officials and report thereon to Council as the case may be;

- recommend on any proposals in respect of the oversight process for improving efficiency, effectiveness and economy in the financial sphere of the Municipality; and

- liaise with the Audit Committee and any other relevant combined assurance committees and role-players.
- Investigate unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32 and 102 of the MFMA, as instructed by Council, and as guided by the National Treasury Circular 68: Unauthorised, Irregular and Fruitless and Wasteful Expenditure.

Recommendations on Annual Report 2024/2025

That the Council should note the Oversight Committee report on the annual report for 2023/2024 financial year.

That the Oversight Committee report on the annual report for 2023/2024 financial year be adopted by Council.

That the annual report for 2023/2024 financial year be adopted by Council without reservations.

Members of MPAC	04 July 2024	22 August 2024	18 September 2024	21 November 2024	21 February 2025	17 March 2025	14 May 2025	18 June 2025	Total Number of meetings	Total Number of meetings attended	Total Number of meetings absent	Percentage of meetings attended
Cllr M Mataka	1	1	1	1	1	1	1	1	8	8	0	100%
Cllr A Jakuja	1	1	1	NA	1	1	1	11	8	7	1	88%
Cllr X Lungu	A	1	A	1	1	NA	1	1	8	5	3	62%
Cllr N Hlanekela	1	1	1	1	A	1	NA	NA	8	5	3	62%
Cllr A P Mkhonto	A	1	1	1	1	1	1	NA	8	6	2	83%
Cllr P K Thingathinga	1	1	1	1	1	1	1	1	8	8	0	100%
Cllr B Mdingi	1	1	1	1	1	1	1	1	8	8	0	100%
Cllr L Mapala	1	1	1	1	1	1	1	1	8	8	0	100%
Cllr B Ngqasa	NA	NA	NA	NA	NA	NA	NA	NA	8	0	8	0%

(a) Office of the Municipal Manager

Employees :Office of the Municipal Manager					
Level	2023-2024	2024-2025			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
	Mr GPT Nota			Filled	
	Mrs C. Nenemba			Filled	
	Mrs B. Jokazi			Filled	
	Mr Z. Tyebisa			Filed	

	Ms S. Bakadela			Filled	
	Ms N. Boyce			Filled	
	Mr T. Moeketsi			Filled	
	1 Vacant post				

(c) Legal Service

Case Load for 2024-2025Financial year

Item	Parties	Legal Firm	Brief Description of the matter	Status
1.	Lindelwa Nyokana//ULM **case no: 40/18**	Fikile Ntayiya & Associates	The plaintiff issued summons against the Municipality for damages allegedly because of her motor vehicle which hit the pothole at Canca Street, KwaBhaca. The plaintiff is claiming a sum of R37 484.55.	The matter was before court on 07 June 2024. There was no appearance for the plaintiff and consequently the matter was removed from the roll. The plaintiff to pay wasted costs. The plaintiff's in this matter are the domini's litis and therefore the municipality has no control over the setting down of this matter. **STATUS: ONGOING**
2.	ULM // Zibuke clothing, bakery & multipurpose **case no: 2570/2018**	Fikile Ntayiya & Associates	The municipality seeks the eviction order against the respondents at Transido, KwaBhaca. The respondents have occupied the premises which belong to Umzimvubu Municipality without consent, ERF 351 KwaBhaca.	The municipality has informed the attorney to brief Adv on the matter given that it has been on the court roll for so long and will soon have a date in court. The municipality is also making strides to engage the respondents to determine whether an out of court settlement can't be reached. **STATUS: ONGOING**
3.	Jane Ntombesithathu Nkondlwana / ULM **case no: 2841/2019**	P. Conjwa & Associates	Matter is between two parties and the municipality is cited for compliance purposes in terms of section 3 of the PIE Act.	The municipality is the 3rd respondent in the matter and the court has instructed as follows: "that the third respondent, if need be, be and is hereby ordered to investigate the welfare of respondent no 1 and 2 and provide them with accommodation where necessary as being part of its Constitutional mandate. The matter was finalised and closed but the applicant filed papers to appeal, and the matter is now pending to be

Item	Parties	Legal Firm	Brief Description of the matter	Status
				heard by the SCA. **STATUS: ONGOING**
4.	Nomthwas Trading (PTY)LTD //ULM **case no: 957/2020**	P Conjwa & Associates	The plaintiff a private company is suing the municipality who is the defendant on the basis that it alleges that the defendant is in breach of a lease agreement it entered into with the municipality. The plaintiff is also suing for unlawful the loss of income as well as lock out.	The matter is still pending before the High Court. **STATUS: ONGOING**
5.	Tandeka Mgeyi and 4 Others//ULM **case no: 2914/2019**	Fikile Ntayiya & Associates	The municipality seeks eviction order from the court. The respondents invaded RDP houses at Chithwa Village, EXT5, EmaXesibeni. The applicants are challenging their eviction from RDP Houses.	The matter was referred for oral evidence and the matter was before Court on 7 March 2022 and was removed from the roll to allow the municipality to bring its witness to court. The municipal witness is refusing to testify. The municipality is intending to remove the matter from the roll to allow the owners of the RDP houses to bring their own causes of action given that they are the owners.. **STATUS: ONGOING**
6.	Nolubabalo Khuzani and 62 Others//ULM **case no: 4859/2019**	Fikile Ntayiya & Associates	The municipality seeks eviction order from the court. The respondents invaded RDP houses at Chithwa Village, EXT5, EmaXesibeni.	The municipality is seeking a court order to evict the respondents illegally occupying RDP houses at Chithwa Village, Ext5 in EmaXesibeni. The matter was before court on 24 November 2020 and the order was granted however, the respondents are refusing to vacate the premises. The municipality is also intending on withdrawing this matter and allow the owners of the RDP houses to initiate their own proceedings in this regard.**STATUS: ONGOING**

Item	Parties	Legal Firm	Brief Description of the matter	Status
7.	Prince Mbusi Mdlalose//ULM **case no: 3359/2019**	P Conjwa and Associates	The plaintiff alleges that he was unlawfully arrested by the Municipal Traffic Officer on 10 September 2017, then handed him over to Mt Frere Police Station allegedly for exceeding the speed limit, detained for 7 hours and released on bail of R500.00. The plaintiff is claiming R450 000.00 from the Municipality.	The matter has been postponed after it was discovered that the arresting officer was not an employee of ULM and will soon be set down for hearing. Matters were handed over to the new attorneys Mdledle Inc due to poor performance by the erstwhile attorneys. A notice to amend plea was served upon the plaintiffs' attorneys to reflect the new status., The plaintiff attorneys have however rejected the notice to amend and an application is made to court to amend the plea **STATUS: ONGOING**
8.	GEOILOCATE//ULM **case no: 839/2022**	Mdledle Incorporated	The plaintiff is claiming an amount of R476 468.00 allegedly due by ULM in respect of services rendered	The plaintiff has since served and filed its summons, and the municipal legal practitioners were instructed to defend the matter. Discovery affidavits have been signed and Pre-trail conference needs to be convened by the plaintiff's who are the domini's litis. **STATUS: ONGOING**
9.	Siti Cargo//ULM case no: 4348/2021	Madlanga & Partners Incorporated	Damages of R5 861 677.62 allegedly suffered by the plaintiff in respect of the termination of contract, contract number: UMZ/2018/19/INFRA/MIG/005-construction of Silindini bridge.	The plaintiff has since filed summons. The municipality has drafted its plea and the matter is ongoing in court **STATUS: ONGOING**
10.	Economic Freedom Fighters (EFF)//ULM **case no: 983/2021**	Madlanga & Partners Incorporated	This is a High Court Application to declare the ULM's dress code policies unlawful and unconstitutional and in the alternative to review and set aside ULM's dress code policies. Several other municipalities are cited as respondents in the matter.	A notice of intention to oppose was served and filed. Also, an answering Affidavit has also been prepared, served and filed. Awaiting Applicant's reply, if any. Applicants have since filed a supplementary founding affidavit. The municipality is contemplating filing a notice to abide in order to save costs. **STATUS: ONGOING**
11.	Concerned Group of Sigidini Administrative Area // ULM **case no: 1986/2021**	P Conjwa & Associates	This is an application brought by the Applicants in respect of land which they claim belongs to them.	The matter was before court on 07 July 2021 wherein application was granted in favour of the municipality. The matter is on appeal and the municipality has since

Item	Parties	Legal Firm	Brief Description of the matter	Status
				filed its heads of arguments. **STATUS: ONGOING**
12.	Norman Ndongeni // Thembisa Ndongeni & ULM **case no: 4779/2021**	Fikile Ntayiya Attorneys	This matter is primarily between the applicant and the first respondent, one Miss Thembisa Ndongeni. The applicant seeks to evict the first respondent together with various other persons allegedly in unlawful occupation of the property in question. The ULM is cited in the application as the 4th respondent for compliance purposes only and no order is sought against it. However, legal representation is necessary as the Court may mero motu require the Municipality to intervene.	The municipality is being citied herein as a party with an interest in the outcome of proceedings and therefore is joined as a party to the proceedings. Further to this Section 4 of PIE creates a special duty on landowners to inform the municipality of an intention to evict within the municipal area indicating a clear role for the municipality. The judgement was handed down on the 30th of January 2024, then the municipality received an application for the leave to appeal and application for condonation from the 1st respondent which is opposed by the applicant. **STATUS: ONGOING**
13.	Umzimvubu Local Municipality// Jabulani Hardware	Mdledle Incorporated	The Municipality seeks to interdict Jabulani hardware from conducting business on Erf 346 KwaBhaca which is a property zoned for residential purposes. Jabulani Hardware conducts its business without having made an application for the rezoning of the said property.	Attorneys for the municipality are in the process of drafting the necessary application papers and shall move the application in due course. The municipal external attorneys have been instructed to interdict Jabulani hardware as settlement negotiations have not yielded any results. **STATUS: ONGOING**
14.	Fikile Bhekizulu // ULM and others	Mdledle Inc.	Action matter to recoup costs from the municipality emanating from an application which dates back from 2020 by the applicants. The municipality is opposing the application.	The municipality has filed a special plea of prescription on the matter and awaits a plea over from the plaintiff **STATUS: ONGOING**
15.	AM Engineering (Pty) Ltd // ULM **case no: 6030/2022**	Madlanga & Partners Incorporated	The matter relates to a contractual dispute between the Plaintiff and the Municipality. The Plaintiff alleges that the Municipality unlawfully repudiated the contract between the parties without any just cause. The plaintiff in this matter is suing the municipality for alleged outstanding amounts emanating from the installation of electricity.	notice of intention to defend the matter has since been filed by the municipal attorneys together with a notice calling upon plaintiff's attorneys to produce proof of authority to act on behalf of the plaintiff. The parties are now exchanging discovery notices. A pre trail conference was convened and the matter is now ripe for trail. The municipality will now await setting down of the matter for hearing by the plaintiffs. **STATUS: ONGOING**

Item	Parties	Legal Firm	Brief Description of the matter	Status
16.	Nokuzola Christele Canca // ULM & Others **case no: 5981/2022**	Mdledle Incorporated	The Applicant Mrs. NC Canca seeks an order declaring the decision of the Municipality to approve the building plans of Erf 242 (KwaBhaca Mall) as unlawful, illegal and irregular and stands to be reviewed and set aside as such decision is in contravention of the Municipality's SPLUMA By-laws	The municipality has filed its intention to oppose and is due to file a Rule 53 record whilst consulting to prepare answering affidavit. The municipality has opposed the main application and has filed a counter application which has also been opposed. The municipality is in the process of finalizing its answering affidavit. **STATUS: ONGOING**
17.	Sibusiso Bonakele & Others//ULM **case no: 1443/2023**	P Conjwa & Associates	. The applicant claims damages which amount to R450 000 per individual and a total of R22 950 000 because of alleged unlawful conduct which include assault and arrest by the employees of the defendant (ULM) while conducting evictions on ERF 188 eMaxesibeni.	Summons have been served and attorneys were instructed to oppose the matter in court.. The matter is awaiting the convening of a pre trail conference **STATUS: ONGOING**
18.	Nduku Mbonisi // ULM **case no: 106/2023**	Madlanga & Partners Incorporated	Yandu Consulting Engineers are claiming fees owed by the municipality under contract number: UMZ/2014/-15/INFRA/MIG/035, designing of Mandileni Cluster Sports Facility. Amount claimed is R266 868.09	The municipality is denying that there was such a revision and has accordingly defended the matter. A special plea has also be filed **STATUS: ONGOING**
19.	Silindile Mhlwana and others **case no: 5213/2021**	Fikile Ntayiya Attorneys	The plaintiffs are suing the municipality for damages arising from unlawful demolish of their houses.	The matter shall go on trial, and the pretrial minutes were received. Waiting for the draft case management from the plaintiff's attorney. **STATUS: ONGOING**
20.	Nomagalati Dyantyi vs Umzimvubu Local Municipal and another **case no: 163/2022**	F Ntayiya and Associates	Applicant is seeking an order for the eviction of the second respondents from the residential homestead no 41 at Badibanise administrative area Mount Frere.	The matter was before court on 29 July 2022, it was removed from the roll and there is no progress from the applicant's attorney since then. The municipality contemplates removing the matter from its litigation register **STATUS: DOMANT**
21.	Umzimvubu Local Municipality v Phumeza Mbasane NO & Another Court **case no: 48/2023**	Mdledle Incorporated	The municipality (applicant) is suing for monies against the former employes.	The applicant's attorneys filed a request for a default judgment and the municipality has been granted the default judgment. The municipality is pursuing the respondent's deceased estate, waiting for the WRIT back form court. **STATUS: ONGOING**

Item	Parties	Legal Firm	Brief Description of the matter	Status
22.	SMG Tyers and Car Wash v ULM and another **case no: 4244/2023**	Mdledle INC Attorneys	The Applicant SGM Tyers and Carwash cooperative have approached the high court in effort to both interdict and set aside the awarding of the tender of supplying uniforms by FG Uniforms CC to ULM.	The municipality's external attorneys have opposed the matter. Part A of the application has been granted in favour of the applicant which was to interdict the process of supplying the Uniform by FG Uniforms. Part B of the application in which the applicant sought to set aside the awarding of the tender in its entirety remains to be argued and municipality has filed its answering affidavit. The matter was set down for 12 June 2025 and was postponed as the record of the file is missing, the matter has been postponed with costs reserved. A new date shall be requested. **STATUS: ONGOING**
23.	Nikitha Matuba Ntanjana v Fungiwe Ntanjana and others **case no: 3630/2023**	P Conjwa and Associates	The applicant Nikitta Matiba Ntanjana seeks an order to the effect that the title deed issued to the first respondent by the deeds office be declared null and void. The municipality being the 5th respondent in the matter is cited only for compliance purposes for purpose of compliance with PIE Act	The matter is still pending before the High Court, the applicant is to set down the matter. **STATUS: ONGOING**
24.	Napoleon Gxumisa v Nkosikho Gxumisa and ULM **case no: 4026/2023**	P Conjwa and Associates	.The applicant has sought an order to compel the first respondent Nkosikhona Gxumisa and all those who occupy a rural site commonly known as Eshoweni bus depot, to be vacated from the premises within 30 days. The municipality is being cited for compliance purposes in terms of the PIE Act.	The matter last appeared on the 28th of November 2023 and subsequently removed from the roll. Matter still pending before the High Court. The municipality is also contemplating on removing the matter from its litigation register. **STATUS: ONGOING**

Item	Parties	Legal Firm	Brief Description of the matter	Status
25.	UMZIMVUBU LOCAL MUNICIPALITY v Nomxolisi Makawula and another **case no: 4759/2023**	Mdledle Incorporated	The municipality as applicants in this matter herein sought an urgent order prohibiting the First to the Fifth Respondents (hereinafter collectively referred to as "the Respondents"), from persisting with the unlawful conduct they are perpetrating on the Property owned by the applicant. This conduct primarily constitutes the unlawful invasion and attempt to unlawfully sell, allocate, build and occupy the property owned by the Applicant.	The matter was set down for hearing in Mthatha High Court and the interim order granted in favor of the municipality. The matter was in court on the 6th of June 2024 and was postponed pending the mediation process. The applicants are however not happy with the outcome and have requested another meeting. A new report is to be prepared by the department.. **STATUS: ONGOING**
26.	Umzimvubu Local Municipality v Lwazi Masiko, Qaqamba Tozamaba, Makalala Mbulawa and other unlawfull occupiers at ERF 188 **case no: 3301/2023**	Mdledle Incorporated	The municipality as applicants in this matter sought an order declaring that the buildings, structure and rudimentary structures upon the remainder of ERF 188 Mount Ayliff are illegal. The municipality also sought a demolition order	The municipality in this matter was granted an interim order with a return date. Attorneys will be required to withdraw this particular application as it no longer bears any relevance. **STATUS: ONGOING**
27.	Cecile Nomvume Makaula and another v ULM **case no 5028/2023**	Mdledle Incorporated	The applicants in this matter seek an interdict against the municipality for the demolition of their houses at Papanani by at the instance of municipality. The applicants had unlawfully erected structures at the Papanani locality and the municipality acted in terms of a court order to demolish the houses	The matter was set down for hearing on the 16th of January 2024 and the court directed the parties to embark on a process of mediating the matter. Department of Agriculture indicated that the land belongs to the Municipality. The applicants are however not happy with the outcome and have requested another meeting . A new report will be prepared by the department. **STATUS: ONGOING**
28	Nozoku Zitumane//Umzimvubu Local Municipality	P Conjwa and Associates	Plaintiff is claiming damages against ULM for demolishing the property at the remainder of erf 188 in Mount Ayliff.	The municipality has instructed P Conjwa and Associates to take over the matter from Madlanga and Partners due unsatisfactory performance. Advocate Zilwa has been briefed to make an application to consolidate the matters (case numbers: 2815/2024; 2942/2024 and 2940/2024. Plea has been filed. **STATUS: ONGOING**

Item	Parties	Legal Firm	Brief Description of the matter	Status
29	Zikhona Quvane & Others// Umzimvubu Local Municipality	P Conjwa and Associates	Plaintiff are claiming damages against ULM for demolishing the property at the remainder of erf 188 in Mount Ayliff	The municipality has instructed P Conjwa and Associates to take over the matter from Madlanga and Partners due unsatisfactory performance. Advocate Zilwa has been briefed to make an application to consolidate the matters (case numbers: 2815/2024; 2942/2024 and 2940/2024. Plea has been filed. **STATUS: ONGOING**
30	Nonyamezela Kwebulana// Umzimvubu Local Municipality	P Conjwa and Associates	Plaintiff is claiming damages against ULM for demolishing the property at remainder of erf 188 in Mount Ayliff	The municipality has instructed P Conjwa and Associates to take over the matter from Madlanga and Partners due unsatisfactory performance. Advocate Zilwa has been briefed to make an application to consolidate the matters (case numbers: 2815/2024; 2942/2024 and 2940/2024. Plea has been filed. **STATUS: ONGOING**
31	Lindani Mzondo// ULM 159/2024	P Conjwa and Associates	Plaintiff in this matter is suing the municipality for an alleged unlawful arrest to the value of R350 000.	The municipality has filed its notice of intention to defend the matter as well as the plea. **STATUS: ONGOING**
32.	Victoria Vuyokazi Ndobeni // ULM 4978/2024	P Conjwa and Associates	The applicant in this matter seeks to rescind a judgment which was granted in favor of the municipality in December 2024 which granted municipality leave to demolish the unlawful structures at the remainder of erf 351 Papanani	The matter has been set down for hearing on the 25th of March 2025 and the municipality has opposed the matter. Matter postponed to the December 2025. **STATUS: ONGOING**
33.	Umzimvubu Local Municipality// Unknown occupiers 562/2025	Mdledle INC	Application brought in court by the municipality for eviction orders against unknown unlawful occupiers in Mount Ayliff. Notices have been issued by the court and served by the sheriff. Matter has become opposed.	Matters have been postponed sine dine for the filing of the answering affidavit by SERI law clinic. An application to consolidated these matters has been made by the respondents and the

Item	Parties	Legal Firm	Brief Description of the matter	Status
				municipality is not opposing it. **STATUS: ONGOING**
34.	Umzimvubu Local Municipality// Unknown occupiers 563/2025	Mdledle INC	Application brought in court by the municipality for eviction orders against unknown unlawful occupiers in Mount Ayliff. Notices have been issued by the court and served by the sheriff. Matter has become opposed.	Matters have been postponed sine dine for the filing of the answering affidavit by SERI law clinic. .An application to consolidated these matters has been made by the respondents and the municipality is not opposing it. **STATUS: ONGOING**
35.	Umzimvubu Local Municipality// Unknown occupiers 564/2025	Mdledle INC	Application brought in court by the municipality for eviction orders against unknown unlawful occupiers in Mount Ayliff. Notices have been issued by the court and served by the sheriff. Matter has become opposed.	Matters have been postponed sine dine for the filing of the answering affidavit by SERI law clinic. An application to consolidated these matters has been made by the respondents and the municipality is not opposing it. **STATUS: ONGOING**
36.	Umzimvubu Local Municipality// Siphokazi Ndevu	P Conjwa and Associates	Application brought in court by the municipality for demolition orders against unknown unlawful occupiers in the remainder of erf 351 Mount Frere.	Final order was granted on the 6th of May 2025 in favour of the municipality. A recession application however has been made scheduled to sit on the 27th of May 2025. Matter postponed and costs reserved. **STATUS: ONGOING**

Component A: Basic Service Delivery

33.1. Electricity Provision

Financial Performance Year 2024/2025: Electricity Services					
Details	**2023/2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance if any**
Total Operational Budget					
Expenditure	15850000	22728000	1500000	21662918,43	2565081,57
Other					
Total Operating Expenditure					
Net Operational Expenditure					

Capital Expenditure Year 2024/2025: Electricity Services					
Capital Project	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Bhubesini Electrification	R 633 231,73	R1 333 231,73	**R 599 752,16**	R 700 000.00	R1 333 231,73
Mtshikawuse Electrification	R 1 655 000.00	R 3 255 427,58	**R 2 753 957,09**	R 1 600 427,58	R 3 255 427,58
Ntelezini Electrification	R 4 166 648,04	R 0.00	**R 4 174 091,91**	R 0.00	R 4 166 648,04
Rode Electrification	R 1 870 200,00	R 0.00	**R 1 624 769,52**	R 0.00	R 1 870 200,00
Santombe Electrification	R 4 511 140,03	R 0.00	**R 4 333 487,89**	R 0.00	R 4 511 140,03
Sixhotyeni Electrification	R 3 935 731,34	R 0.00	**R 3 700 539,92**	R 0.00	R 3 935 731,34

Capital Expenditure Year 2024/2025: Electricity Services					
Capital Project	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Kumhlokwana Electrification	R 1 017 000,00	R 1 517 000,00	**R 733 992,58**	R 0.00	R 1 517 000,00
Emadameni Electrification	R 2 438 621,28	R 0.00	**R2 493 457,15**	R 0.00	R 2 438 621,28
Langeni Electrification	R 900 000,00	R 1 200 000,00	**R 1 248 870,21**	R 0.00	R 1 200 000,00

3.3. Housing

Employees :Housing					
Level	**2023-2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3					
4-6					
7-9	2	2	1	0	
10-12	2	2	1		
13-15	1	1	1	0	
Total	5	5	5		

Financial Performance Year 2024/2025: Housing					
Details	**2023/2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance if any**
Total Operational Budget	850 000	860 000	80 000	845 000	850 000
Expenditure	850 000	860 000	80 000	845 000	850 000
Employees					
Repairs and Maintenance					
Other					
Total Operating Expenditure	850 000	765 000	80 000	845 000	850 000
Net Operational Expenditure	850 000	765 000	80 000	845 000	850 000

Capital Expenditure Year 2024/2025 Housing					
Capital Project	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Housing Sector Plan	R 500 000.00	N/A	R 0.00	None	R 500 000.00

Below is the project budget from the department of human settlements

KEY PERFORMANCE INDICATOR	ANNUAL TARGETS FOR 2024/2025
DESTITUTE AND VULNERABLE	R 1000 000
UNITS	5

FULL SERVICES	0
PARTIAL SERVICES	0
RECTIFICATION	0
BUDGET	R 1000 000

Successes:

Challenges:

Component C: Planning and Development

3.6. Planning

Component C: Planning and Development

Development Planning

Promote municipal and private developments by interpreting the Spatial Development Framework (SDF) of Council's Integrated Development Plan (IDP) for private developers, professionals and the general public and commenting on the desirability of Land Use applications. Makes recommendations relating to the desirability and feasibility of projects by monitoring and coordinating the production of reports, maps, and presentations, regarding Forward Planning Policy and proposals to the Municipal Council/public.

The core functions of the Department are:

- Land Use Management
- Settlement Planning
- Spatial and Forward Planning Management
- Real Estate Management
- Planning Enforcement

Location of the section

The section is located within the infrastructure and Planning Department.

Objectives and functions of the section

The objective of the section is to promote planned, economic, scientific, and artistic development of the municipal towns and rural areas.

Functions

A function of the section is to enhance service delivery through planning, facilitating, coordinating, administering and implementing the following functions;

Spatial Planning

The objective is to promote orderly development and sustainable livelihood by implementing sound spatial principles and land use management. Furthermore, to achieve optimum organization and use of land resources in order to meet the social, environmental, and economic needs of the present and future generations. The municipality has adopted its Spatial Development Framework with a Vision which is: "To ensure delivery of quality services that promote economic growth, support development and respond to the community needs in accordance with our development mandate".

Building Control

- By-Law implementation and general law enforcement (NBR)
- Building Plan Approvals
- Building Inspection & Construction Management
- Building Control Enforcements
- Project Management on Building Construction Projects
- Minor building architectural designs

Valuation

(Provide a narrative on the existence and implementation of valuation roll)

Town Planning

The municipality has adopted Land Use Scheme and Bylaws, which regulate legal rights to land use and building design. This management activity includes the following:

Rezoning: to change the use permitted on the property by changing the zone of the property. It is a permanent change in land use.

Subdivision: to subdivide a piece of land into two or many smaller units.

Consolidation: when two or more properties are joined together to form a single Erf.

Departures: to change land use restrictions in a Zoning Scheme.

Consent use: obtaining permission from council to use a property for alternative use for a stipulated period of time, that is, other than the permitted use.

Removal of restrictive conditions: to remove restrictive conditions as conditions registered in title deeds during the process of township establishment, by the township developer in terms of which restrictions are placed on the use of land.

Land administration

The municipality has developed land use management scheme, Spatial Planning and Land Use Management by-laws to regulate, control and manage land use within the municipal area. This was done to ensure that the municipality achieve desirable and harmonious development of the built environment that reflect and are a translation of the overall vision of the Municipality as expressed in the Integrated Development Plan (IDP) and the Spatial Development Framework (SDF). The Development Planning unit has the responsibility of receiving, processing, and making recommendations or decisions on land development applications within the provisions of the legislation regulating land development. The uMzimvubu Local Municipality has reviewed its Land Use Scheme in 2023 in terms of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA)

Geographic Information Services

The municipality has implemented the Geographic Information Systems to enhance the integration of municipal processes and systems, improve information management within the municipality, and create a knowledge management culture. The municipality had expanded its organogram in order to develop its capacity. The staff complement of the Development Planning Section has been increased to include GIS Technician.

Human Settlement

- Responsible for project conceptualization, planning, design, implementation, monitoring and progress reporting.
- Consumer Education
- Beneficiary Administration
- Determine the housing need\demand
- Provision of affordable houses
- Provision of middle to high income housing
- Provision of social rental accommodation
- Formulation housing sector plan

Key stake holders

- Rate Payers – provide revenue when submitting building plans for scrutiny
- Built Environment Professionals – developers of both towns
- Department of Human Settlements – provide finance for rural housing
- Department of Public works – provides inspection for departments
- Built Environment agencies such as NHBRC – to inspect and evaluate the building that are done by the municipality

Stakeholder	Key Role
Department of Corporative governance and Traditional Affairs	Assist with the approval of land development applications
Alfred Nzo District Municipality	Support the municipality in terms of development
Economic Development, Environmental Affairs and Tourism	Assist with the approval of Environmental Impact Assessment Reports and issuing of Record of Decision
Department of Human Settlements	Facilitate and coordinate the provision of quality, integrated and sustainable human settlements that offer its communities a better living environment.

Chief Surveyor General	Assist with the provision of updated cadastral information
Department of Rural Development and Agrarian Reform	Assist with coherent and coordinated rural development for improved quality of life

Challenges and Successes

Challenges facing the development planning unit are:

- Limited funding for Development Planning Projects.

Successes for the development planning unit are:

- The Umzimvubu Local Municipality is currently disposing land for development in line with the municipal vision 2030 plan that was adopted by council in 2018. This is done to attract private investment in the area in order to boost economic development.

Implementation of by-laws

The Municipality has adopted the Spatial Planning Land Use Management Bylaws which were gazette in 2016 to regulate, control and manage land use within the municipal area as required by the Spatial Planning and Land Use Management Act, 2013.

Land audits

A land use audit and analysis study was completed for uMzimvubu Local Municipality in 2023 and the purpose of the study was to analyse the existing land within the municipality in terms of the ownership, extent, cadastral boundaries, zoning and institutional capacity that is designated to organise the land. The study was completed for the Alfred Nzo District Municipality and included the two towns, Mount Frere, and Mount Ayliff. The information gathered assisted the municipality in terms of identifying land that is viable for development, land that is owned by the municipality must be utilised accordingly by providing social facilities that lack in certain areas of the municipality.

Issues of land claims

Following are the status of claims as submitted to the Land Claims Commission on 31st December 1998 for uMzimvubu Local Municipality:

Property Description	Claimant	Status
Portion of Erf 188, Mount Ayliff	Dutyini	Settled but not finalised
Portion of Erf 188, Mount Ayliff	Sigidini	Land Transfer
Portion of Erf 188, Mount Ayliff	Betshwana	Negotiations
Portion of land within the village	Spolweni	Settlement in progress
Portion of Erf 351	Lubhacweni	Court referral/land invasion
Portion of land within Amagqamzeni admistrative area	Imikhonde	Settled
Land from Maxesibeni to Franklin	Amaxesibe community claim	Finalised

Building control

Applications for Land Use Development										
Detail	**Planning application received**		**Determination made in the year of receipt**		**Determination made in the following year**		**Applications Withdrawn**		**Applications outstanding at the year end**	
	2023-2024	**2024-2025**	**2023-2024**	**2024-2025**	**2023-2024**	**2024-2025**	**2023-2024**	**2024-2025**	**2023-2024**	**2024-2025**
Subdivisions	3	4	3	4	0	0	0	0	0	0
Consolidations	0	2	0	1		0	0	0	0	0
Rezoning	5	8	5	8	0	0	0	0	0	1
Applications relating to land restrictions	1	1	1	1	0	0	0	0	0	0
Special consents	2	0	2	0	0	0	0	0		0
Township Establishment	0	0	0	0	0	0	0	0	0	0
Other application must be mentioned	2	4	2	4	0	0	0	0	0	0

Employees: Planning and Land use and Building control					
Level	**2023/2024 FY**	**2024/2025 FY**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3					
4-6					

7-9	1	1	1		
10-12	2	2	2		
13-15	1	1	1		
Total	4	4	4		

Financial Year Performance 2024/2025: Planning and Land use, Building Control					
Details	**2023/2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance to the Budget**
Total Operational Revenue					
Expenditure	R50 000	R45 000	R45 000		
Employees	0	0	0		
Repairs and Maintenance	0	0	0		
Other	0	0	0		
Total Operating Expenditure	R50 000	R45 000	R45 000		
Net Operational Expenditure					

Component B: Roads

3.5. Roads and Storm Water Drainage

(Roads construction narrative during **2024/2025**financial year and populate the tables below)

Gravel Road Infrastructure: Kilometres					
Years	**Total gravel Roads (Km)**	**New Gravel Roads Constructed**	**Gravel Roads Upgraded to Tar**	**Gravel Roads Maintained**	**Disaster Repaired Roads**
2022-2023		3.2 km's	0	149.62 km's	
2023-2024		7.35 km's	0	142.8 km's	
2024-2025		6,8 km's	1.93 km's	64,2km's	51,15km's

Cost of Construction and Maintenance: Rand Per KM				
Year	Gravel Roads		Tarred Roads	
	New gravel road	Maintained Road	New	Maintained
2022-2023	480 000	310 000		
2023-2024	520 000	350 000		
2024-2025	662 000	390 000	11 052 000.00	

Financial Performance Year 2024/2025: Roads					
Details	2023-2024	2024/2025			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue					
Expenditure		R 6 000 000.00	R 0.00	R 5 708 294,51	R 0.00
Employees					
Maintenance		R 6 000 000.00	R 0.00	R 5 708 294,51	R 0.00
Other					
Total Operating Expenditure					
Net Operational Expenditure					

Capital Expenditure Year 2024/2025: Roads (PMU)						
Capital Projects	**2024/2025**					
	Status	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Nqalweni AR new	Under construction :Tipping and processing of the road has been completed, stormwater on construction	R1 597 844.00	R 0.00	**R 865 816,42**	R 0.00	R1 597 844,00
KwaNyathi to Mnambithi AR - New	Completed	R 2 800 000.00	R 206 358,89	**R3 006 358,89**	R 206 358,89	**R3 006 358,89**
Tholeni Access Road	Completed	R 4 350 855.00	R 0.00	**R 3 648 329,89**	R 0.00	**R 3 648 329,89**
Bhakaleni to Sekileni via Mqoma Access Road		R 8 100 000,00	R 649 554.00	**R 8 749 554,00**	R 649 554.00	**R 8 749 554,00**
Mpungulelweni Access Road	Completed	R 9 870 734,00	R 2 147 628,35	**R 12 018 362,35**	R 2 147 628,35	**R 12 018 362,35**

Capital Expenditure Year 2024/2025: Maintenance						
Capital Projects	**2024/2025**					
	Status	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Mvakomzi AR Maintenance	Project Completed	R 1 719 417,00		R 1 719 417,00		R 1 719 417,00
Mnqwane AR Maintenance	Project Completed	R 1 505 971,00		R 1 505 688,57		R 1 505 688,57
Bhonga AR Maintenance	Project Completed	R 4 250 000,00		R 3 724 119,47		R 3 724 119,47
Sikolweni & kwaHlombe AR Maintenance	Road formation completed, finalising processing on site. (Concrete works left) there are delays due to the inclement weather	R 1 201 231,35		R 827 373,25		R 827 373,25
Lusuthu AR Maintenance	Project Completed	R 1 146 302,75		R 1 146 302,75		R 1 146 302,75
Mhlozini AR Maintenance	Project Completed	R 4 500 000.00		R 4 277 909,17		R 4 277 909,17
Ngxashini AR Maintenance	The project has been awarded, Handover has been done. Contractor is busy with site establishment	R 1 540 166,25		R 0.00		R 0.00
Magontsini AR Maintenance	Project Completed	R 1 585 681,85		R 1 109 139,35		R 1 109 139,35

Capital Expenditure Year 2024/2025: Maintenance						
Capital Projects	**2024/2025**					
	Status	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Lutateni AR Maintenance	Project Completed	R 1 647 800,50		R 1 647 799,81		R 1 647 799,81
Nqalweni AR Maintenance	Tipping of the road has been completed and processing has commenced.	R 1 597 844,00		R 991 967,94		R 991 967,94
Ntenetyana to godola AR Maintenance	The contractor has established on site and commenced with works, busy with the wet blading.	R 1 975 142,25		R 1 362 674,10		R 1 362 674,10
Ncunteni AR Maintenance	Project Completed	R 2 060 375,65		R 1 230 566,34		R 1 230 566,34
SDA - Magwaca AR Maint	Project is under construction The contractor busy with stockpiling of gravel material and to commence with the tipping.	R 1 770 375,55		R 1 121 328,66		R 1 121 328,66
Velem via Mthonjeni - Gamakhulu AR Maintenance	The contractor has established on site and commenced with blading and tipping	R 2 460 848,90		R 1 658 358,08		R 1 658 358,08

Capital Expenditure Year 2024/2025: Maintenance						
Capital Projects	**2024/2025**					
	Status	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Ngojini via Ngxongo AR Maint	Project Completed	R 1 645 279,13		R 1 479 505,83		R 1 479 505,83
Mnxekazi AR Maintenance	Project Completed	R 1 999 995,98		R 2 299 884,76		R 2 299 884,76
Mbodleni, Bhibha via Cabazi AR Maintenance	Project Completed	R 2 197 903,00		R 2 304 572,89		R 2 304 572,89

Employees : Project Management Unit					
Level	**2023-2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
4-6	4	4	4	0	0%
10-12					
13-15					
Total	**4**	**4**	**4**	**0**	**0%**

Employees: Maintenance					
Level	**2023-2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
4-6					
10-12					
13-16	10	15	10	5	67%
Total	10	15	10	5	67%

5.6. Capital Expenditure on 5 Largest Projects

Capital Expenditure Year 2024/2025: (Other PMU projects)						
Capital Projects	**2024/2025**					
	STATUS	**Budget**	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Bhakaleni to Sekileni via Mqoma Access Road	Project under construction – Multi -year project	**R 8 100 000,00**	R 649 554.00	**R 8 749 554,00**	R 649 554.00	**R 8 749 554,00**
Surfacing of Kwa Bhaca Internal Streets Phase 8	Project under construction – Multi -year project	**R14 122 620.00**	R 154 251.87	**R14 276 871,87**	R 154 251.87	**R14 276 871,87**
Thabo Access Road	Completed	R 4 350 855.00	R 0.00	**R 3 648 329,89**	R 0.00	**R 3 648 329,89**
Mpungulelweni Access Road	Completed	R 9 870 734,00	R 2 147 628,35	**R12 018 362,35**	R 2 147 628,35	**R 12 018 362,35**

5.7. Basic Service and Infrastructure Backlogs

(Provide a narrative on Basic Infrastructure backlogs during **2024/2025** financial year and populate the table below)

Infrastructure Services Categories	Municipal Baseline (Total HH)	Access To Date	Access To Date (%)	Backlog To Date	Backlog To Date (%)	Universal Access Target (Comments)
Electricity						
Roads						
Refuse Removal						
Community Halls						
Sports Facilities						

COMMUNITY SERVICES

3.2. Waste Management and Refuse Removal

The municipality is operating on the basis of an Integrated Waste Management Plan which was approved by Council and endorsed by MEC for DEDEAT. Umzimvubu has recently reviewed its IWMP in 2024/25 financial year to achieve the desired end state for waste management within the municipality, it will be reviewed after 5 years. Umzimvubu is a stakeholder at Alfred Nzo Integrated waste management Forum and as such uses that platform for waste related activities including reporting. Umzimvubu local municipality adopted waste bi-law in 2008, to make provision for the collection and removal of domestic waste and business waste; to require waste generators to collect and remove bulky waste, building waste, garden refuse, special domestic waste and special industrial waste; to provide for the temporary storage of waste pending collection; to provide for the operation of garden refuse sites; to impose obligations regarding special industrial waste, hazardous waste and health care waste; to provide for proof of disposal of building waste; to impose obligations regarding event waste; to provide for waste management plans; to encourage the recycling of waste; to provide for the conduct at municipal waste disposal sites; to regulate private waste removal contractors; to impose penalties for dumping and other offences and to provide for matters incidental thereto. In addition, there is also Rural waste management strategy as well composting strategy.

Integrated Waste Management Programme Implementation

The municipality has identified five goals to achieve the desired end state for waste management within the municipality and has implemented cross cuttingly all five goals with some pockets of objectives that were not undertaken during the reporting period. Majority of projects have been implemented, such as Develop fully operational buy-back centres at the Mount Ayliff and Mount Frere landfills Ensure proper management of the recycling cooperative to name a few to achieve the desired end state for waste management within the municipality, however; those projects that were not implemented due to budget constraints were brought forward into the newly

reviewed Integrated Waste Management Plan (IWMP) for further consideration in the forthcoming implementation phase ending June 2030.

The municipality has taken a number of waste management initiatives such as purchase of waste receptacles and explored measures to increase the revenue streams of the municipality to mention few. The municipality has continuously ensured that waste management services are delivered to the communities by having a stand-alone contract for tools and equipment which assist with required working tools needed for effective waste management services. Furthermore the municipality has an existing two year contract for supply and delivery of refuse bags.

The municipality is following the general requirements for storage of waste as per section 21 (a) and also waste collection services standards as required by section 24(2) of the waste act by providing waste receptacles. The municipality has established an environmental education programme which comprises of 22 environmental educators under EPWP programme as a measure to ensure compliance and monitoring with waste management standards/ activities.

The municipality has budgeted and spent R2 100 000 towards the implementation of the IWMP. The implementation plan of the IWMP is reviewed on an annual basis for effective and accurate reporting. Furthermore the municipality has reviewed the IWMP and included projects that were previously not implemented on the previous IWMP.

Project name	**Budget**	**Progress to date**	**Challenges**	**Achieved/ not achieved**	**Remedial action**
Prevent and manage the illegal disposal of waste	Nil	The municipality has mapped the illegal dumping sites within the jurisdiction of Umzimvubu The municipality has promoted the community clean-up campaigns The mapped illegal dumping sites have been rehabilitated, by planting flowers, planting trees and also changed the illegal	After mapping and cleaning illegal dumping sites, new ones surfaces Planted trees and flowers are removed by community members	Achieved	Improved collection services Stricter enforcement Introduction of illegal dumping fines

		dumping site hotspots into recreational parks			
Promote waste recycling	Nil	The municipality has two material recovery facilities, in KwaBhaca and EmaXesibeni landfill site Two recycling co-operatives are currently conducting recycling in both landfill sites		Achieved	
Provide comprehensive system of data collection, analysis and implementation		The municipality has ensured optimum functioning of data capturing equipment(weighbridge) in KwaBhaca landfill site Both landfill sites are registered on SAWIS and are reporting on monthly basis	Weighbridge in EmaXesibeni landfill site not functional, currently using estimates	Not achieved	Weighbridge for EmaXesibeni landfill site to be procured in the next financial year
Promote efficient, sustainable and lawful waste disposal		Daily compaction and covering of waste on both landfill sites is enforced The security at the landfill site has been improved	Challenges in wet conditions as wet waste or soil is harder to compact effectively Hazardous waste is	Achieved	Continued awareness campaigns on safe disposal of hazardous waste

		The hazardous waste has been prevented from being disposed at landfills	illegally dumped		

Waste Educational/ Awareness Programs:

Umzimvubu Municipality is responsible for Domestic Waste collection within its area of jurisdiction. There is a manager appointed to head the community services directorate who is also responsible among others for waste management and horticultural services. The Municipality performs waste collection services (Street sweeping, litter picking, refuse bag provision/curb side collection and waste bin provision/servicing) in 2 urban centers or towns 7 days a week in urban areas.

The municipality has established an environmental education programme employing a number of environmental educators who are responsible for community education and awareness on sound waste management, compliance with waste collection schedule. Door to door awareness are conducted at least once a week in hotspot areas.

1. **Clean up campaigns:**

The municipality conducted at least four major awareness campaigns annually with each awareness campaign dedicated to be implemented in each quarter. Festive season plan are made to enhance the clean-up campaigns in both towns. There are various stakeholders that participate during the clean up programmes including governments departments, rate payers, communities, traditional leaders and schools.

2. **Waste Recycling Initiatives: for environmental and economic benefit**

There are wide ranges of recycling initiatives that took place during the year under review in relation to waste minimization. To the year end 2 permits have been issued in an attempt to promote sustainable waste minimization programs and to regulate salvaging on land fill sites. Scavenging is not permitted at both sites. Two Waste by back centres has been developed and are in operation indicating that some amounts of money are generated upon selling of the recovered recyclables. The municipality have entered in services level agreement with 2 cooperatives running the centres so as to be able ascertain the waste stream recycled in terms of waste volumes, type and money generated in the process so as to enable to plan, report and enhance programme. The municipality has further entered into partnership with service provider to explore the waste circular economy alternatives that will benefit the Umzimvubu populace.

Challenges in Waste Management:

Approximately 35 active illegal waste dumping sites have been identified and cleared. It has been noted that these sites are within 20-30 metres of schools, homes and sensitive biodiversity areas. To this end, the Municipality is working/rehabilitating almost all the sites. Illegal dumping signs have been erected to curb this behaviour. The

municipality is further planning to have awareness campaigns on litter and waste management involving schools and local communities. Rural communities have stated debating how to handle the issue of used baby towels that have thrown everywhere in the local space. It is believed that If one person stops littering the world can change for the better. Landfill site compliance remains a challenge especially kwaBhaca due to the lifespan reached. However processes to obtain permit to construct new cell are underway.

Solid Waste Service Delivery Levels: House Holds						
Description	**2022/2023**	**2023/2024**	**2024/2025**	**Original Budget No**	**Adjusted No**	**Actual No**
	Actual No	**Actual No**	**Actual No**			
Solid Waste Removal:	649	649	711	711	N/A	711
Removed Once a week	649	649	711	711	N/A	711
Removed More than once a week	649	649	711	711	N/A	711
Total Number of House holds	649	649	711	711	N/A	711

Employees: Waste Management and Refuse Removal services					
Level	**2023/2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3	79	79	76	Nil	N/A
4-6					
7-9					
10-12	5	5	5	Nil	N/A
13-15					
Total	84	84	84	Nil	N/A

Financial Performance Year 2024/2025: Waste Management and Refuse Removal					
Details	**2023-2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance if any**
Total Operational Budget	1 622 000,00	2 100 000	-	2 100 000	-

Expenditure	1 622 000,00	2 100 000	-	2 100 000	-
Employees					
Repairs and Maintenance	6 000 000	5 000 000	-	5 000 000	-
Other					
Total Operating Expenditure	6 000 000	7 100 000	-	2 100 000	-
Net Operational Expenditure					

Capital Expenditure Year 2024/2025: Waste Management and Refuse Removal					
Capital Project	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Landfill site	500 000	-	500 000	-	500 000
Plant and equipment	500 000	-	500 000	-	500 000

Component E: Environmental management and Signage Control

2.12. Pollution control, Biodiversity, Landscape and Coastal Protection

The natural environment is regarded as prime asset and resource base for the district. Environmental sustainability, restoration and rehabilitation and appropriate usage forms the basis for this approach. The characterize of natural resources is suggested to inter alia contribute to appropriate local economic and social development. The natural environment needs to be integrated into development approaches of other development components. The municipality has completed the fencing of botanical gardens as part of the natural resource protection and preservation efforts.

Capital Expenditure Year 2024/2025: Environmental Management and Biodiversity					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Botanical gardens fencing	500 000	-	298 000		298 000

Financial Performance Year 2024/2025: Environmental Management and Biodiversity		
Details		

	2023-2024	2024/2025			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	N/A	N/A	N/A	N/A	N/A
Expenditure	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs and Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total Operating Expenditure	N/A	N/A	N/A	N/A	N/A
Net Operational Expenditure	N/A	N/A	N/A	N/A	N/A

Employees : Environmental Management and Biodiversity					
Level	2023/2024	2024/2025			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	N/A	N/A	N/A	N/A	N/A
4-6	N/A	N/A	N/A	N/A	N/A
7-9	N/A	N/A	N/A	N/A	N/A
10-12	N/A	N/A	N/A	N/A	N/A
13-15	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

Component D: Community and Social Services

3.1 Libraries and Community Facilities

The municipal area is currently operating two main libraries and five modular libraries to assist in the provision and promotion of a culture of reading, library usage and learning to enrich communities. Umzimvubu Municipality is in collaboration Department of Sport, Recreation, Arts and Culture in operating all community libraries.

3.2. Cemeteries:

Umzimvubu Local Municipality has continued to operate and manage four Cemeteries (two Mt Ayliff and Two Mount Frere), and they are all maintained on regular basis. The maintenance activities include the following:

- Landscaping and Greening
- Grass cutting,
- Removal of unwanted vegetation,
- Grave digging and allocation, and
- Access control
- The operation activities involve the following:
- Cemetery management System

3.14 Fire and Disaster Management

Umzimvubu Local Municipality has Disaster Management unit only. ULM is only coordinating issues related to disaster incidents. ULM does not have Fire management unit. Fire and Disaster Management is the main function of Alfred Nzo District Municipality in our area. Disaster incidents are reported to the office of Community Safety Section and immediately respond to the disaster incident reported. Assessment is done and immediate social relief material is issued to the qualifying household/s. Assessments on major disaster incidents are done in conjunction with district municipality disaster department.

Functions of the disaster management unit are as follows:

- Reduce, or avoid, losses from hazards,
- Assure prompt assistance to victims,
- Achieve rapid and effective recovery.
- Disaster awareness campaigns,
- Disaster Management Forum held once in a quarter.

COMPONENT F: SAFETY AND SECURITY

3.15. PROTECTION SERVICES

The objective of the protection services is to protect municipal employees and properties of the municiplity. The protection is available 24 hours a day to all the approved municipal sites. Vehicles are stopped and searched regularly at the entrance and exit gates. A close working relationship exists between protection services and SAPS to combat car theft.

TRAFFIC SECTION:

ULM changed from traffic section to Law Enforcement Unit since 2013. The aim was to be fully effective in enforcing all traffic management activities, bylaws and crime prevention as their main function. Law enforcement unit is a sub-unit to Community Safety Section under Citizen and Community Services. It comprises of law enforcement and Pound unit under it. Law enforcement unit has two branches, one in KwaBhaca and another in EmaXesibeni as well as animal pound are both existing in our two towns.

ACTIVITIES:

A municipal law enforcement unit primarily focuses on enforcing local bylaws, policing traffic, and preventing crime within its specific municipal jurisdiction. The unit works alongside the South African Police Services, but with a more limited scope of authority, concentrating more on local matters.

Law enforcement has three main functions that they are responsible for:

- Traffic Management (50%)
- By-law Management (30%)
- Crime Prevention (20%)

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

- 1 x automatic number plate recognition (ANPR) system for checking people with outstanding warrant of arrest,
- 1 x pro-laser 3 speed camera
- 1 x prolaser 4 speed camera,
- 7 x alcohol breathalysers testing machines,

- 1 x Back-office traffic notices management system (for the administration traffic notices)

CHALLENGES:

Law enforcement unit face multifaceted challenges including resource and personnel shortages, difficulties in recruitment and training. Poor recruitment criteria and high trainer to trainee ratios result in recruited officers being unprepared for the demands of the job and impacting the quality of future officers.

RECOMMENDATIONS:

To increase number of law enforcement to a minimum of 16 permanent law enforcement officers compared to the current 7 law enforcement officers appointed. This will allow the unit to have a unit specialising on bylaw enforcement only.

DRIVING LICENCE TESTING CENTRE:

DLTC sub-unit undr Licensing unit is based in EmaXesibeni municipal offices. Services offered by the unit are issuing of driving licences and renewal of driving licences, conducting of learners' classes and issuing of learners' licences to the qualifying people and issuing of Professional Driving Permit (PrDP).

REGISTERING AUTHORITY:

Umzimvubu Local Municipality has two Registering Authorities (RAs), one is in KwaBhaca and another in EmaXesibeni. KwaBhaca RA is temporary closed due to maintenance services done in the old municipal building in the town of KwaBhaca.

Functions:

Motor Vehicle Registering Authority (MVRA)

- Renewal of motor vehicle licenses.
- Registration and licensing of motor vehicles.
- Issuing of Duplicate Registration Certificates.
- De-registration of motor vehicles.
- Issuing of Permits.

SECURITY:

Preventing security issues is one of the most important goals of the security as they play a defensive role rather than offensive role when it comes to securing the property of the municipality and maintaining safety of the employees and public visiting municipal premises. Currently, security matters are outsourced to Phiko Security Services for both KwaBhaca and EmaXesibeni municipal sites.

Secures premises and personnel by patrolling the properties of the municipality, monitoring surveillance equipment, inspecting buildings, equipment, and access points, permitting entry to the municipal premises by order. Get

assistance by means of sounding alarms in key places like firearms strong rooms. Prevents losses and damage by reporting irregularities, informing about violators of policy and procedures, restraining trespassers

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

Each approved site has at least one portable two-way communication radio. Metal detectors are available in each site and are used in the searching of vehicles and people entering our premises.

PROGRESS:

Control traffic by directing drivers at the entrances. Complete reports by recording observations, information, occurrences, and surveillance activities, obtaining signatures. Maintain environment by monitoring and setting building and equipment controls. Maintain institution's stability and reputation by complying with legal requirements. Ensure operation of equipment by completing preventive maintenance requirements, troubleshooting malfunctions, calling for repairs, evaluating new equipment and techniques. Ensure the security, safety and wellbeing of all personnel, visitors, and the premises. Provide excellent customer service to all people entering our premises. Adhere to all institution services and operating standards, respond to emergencies to provide necessary assistance to employees and customers. Protect the institution' assets relative to theft, assault, fire, and other safety issues. Follow procedures for various initiatives, including fire prevention, property protection etc.

CHALLENGES:

Attacks to municipal buildings and premises. Burglary and theft of municipal property.

POUND:

The rangers have a broad range of duties to conduct and include such things as animal control, public safety, and order, including the movement of stock from public rods and reserves. Among other functions rangers are doing are as follows:

- Herding of impounded animals.
- Cleaning of animal and feed sheds.
- Cleaning of animal kraals.
- Vaccination of identified sick animals.

Traffic Police Service data				
Details	2023-2024	2024/2025		2025/2026
	Actual Number	Estimated Number	Actual Number	Estimated Number
Number of road traffic accidents during the year	67	198	51	69

Number of by-law infringements attended	32	26	24	24
Number of traffic officers on the field on an average day	11	20	10	12
Number of officers on duty on an average day	12	20	10	12

Employees: Protection Services including security services					
Level	**2023/2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3	18	26	26	26	0%
4-6	110	110	110	110	0%
7-9	1	1	16	16	0%
10-12	8	8	17	24	30%
13-15	3	3	5	5	0%
Total	140	148	174	181	4%

Capital Expenditure Year 2024/2025: Protection Services					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Shooting Range	R4 000 000.00	0.00	R4 000 000.00	0.00	R4 000 000.00
EmaXesibeni Animal Pound Upgrading Phase 1	R2 000 000.00	0.00	R2 000 000.00	0.00	R2 000 000.00

KwaBhaca Animal Pound Upgrading Phase 2	R2 000 000.00	R274 195.00	R1 725 805.00	R274 195.00	R1 725 805.00
KwaBhaca Public Transport Pound Phase 1	R2 000 000.00	R131 925.05	R1 868 074.95	R131 925.05	R1 868 074.95

Financial Performance Year 2024/2025					
Details	**2023-2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance to the Budget**
Total Operational Revenue	R11 870 600.00	R55 336 798.00	R895 925.25	R41 082 267.98	R15 150 455.27
Expenditure	R11 870 600.00	R55 336 798.00	R895 925.25	R41 082 267.98	R15 150 455.27
Employees	R13 223 256.00	R14 660 492.00	0.00	R13 206 380.98	R1 454 111.02
Repairs and Maintenance	R884 700.00	R109 000.00	0.00	R102 980.00	R87 020.00
Other	R31 057 740.00	R6 308 075.00	R667 570.00	R4 315 602.70	R2 660 042.30
Total Operating Expenditure	R45 165 696.00	R55 336 798.00	R895 925.25	R41 082 267.98	R15 150 455.27
Net Operational Expenditure					

3.16. Driver's Licensing and Testing Centre

DLTC stands for Driving Licence Testing Centre. In South Africa, DLTCs are places where people can apply for learner' licence, renew driving licences, permits, and book driving licence tests.

ACTIVITIES

Driving Licence Testing Centre (DLTC) functions; which are rendered at Mount Ayliff DLTC are:

1. Appointments for Learners and driving licenses tests,
2. Eye testing,
3. issuing temporary driving licences,
4. issuing learners' licences,
5. issuing duplicate learners' licences,
6. issuing of new driving licences
7. renewal of driving licences,
8. issuing professional driving permits

9. renewal of professional driving permits.

NB: DLTC is sutuated at Mount Ayliff municipality main offices where all activities related to licensing are done.

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

2 X LEUs machinery for testing eyes

10 X CLTs machinery for learner's licence testing.

2 X Electronic National Traffic Information System

SUCCESSES

2024/2025 FY = 411 learners' licence classes conducted

2024/2025 FY = 1102 people tested for driving licences

CHALLENGES

The suspension of two examiners is causing a trouble in the station. Finger scanning trouble, as well as faulty fingerprinting and non-standard photographs, are causing delays in the issuing of credit card-style driving licences, and result in some driving licences being issued reflecting incorrect information.

DLTC Data		
Details	**2023-2024**	**2024/2025**
	Actuals	**Actuals**
Total Number of learner's licences processed	1620	1548
Total Number of driver's licences processed	2621	1102
Average turnaround time –leaners licence	1 hour	1 hour
Average turnaround time –Drivers-licence	1 hour	1 hour

Employees : DLTC					
Level	**2024/2025**				
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3	1	1	1	0	0%
4-6	Nil	Nil	Nil	Nil	0%
7-9	4	4	4	0	0%
10-12	5	5	5	0	0%

13-15	1	1	1	0	0%
Total	11	11	11	0	0%

Capital Expenditure Year 2024/2025: DLTC					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
None					

Financial Performance Year 2024/2025: DLTC					
Details	**2023-2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance to the Budget**
Total Operational Revenue	None	None	None	None	None
Expenditure	None	None	None	None	None
Employees	None	None	None	None	None
Repairs and Maintenance	None	None	None	None	None
Other					
Total Operating Expenditure	None	None	None	None	None
Net Operational Expenditure	None	None	None	None	None

INTRODUCTION

Motor vehicle registration is the registration of a motor vehicle with a government authority, either compulsory or otherwise. The purpose of motor vehicle registration is to establish a link between a vehicle and an owner or user of the vehicle. While almost all motor vehicles are uniquely identified by a vehicle identification number, only registered vehicles display a vehicle registration number plate and carry a vehicle registration certificate.

BACKGROUND OF THE REGISTERING AUTHORITY

Registering Authority (RA) is where all vehicles are registered and licenced.

In terms of the provisions of the National Road Traffic Act (Act 93 of 1996), all motor vehicles which are operated on South Africa's public roads must be registered and licenced, and all drivers should be in possession of a valid driving licence. Regulation 32A of the National Road Traffic Regulations requires all persons who wish to transact with the Licencing Authority (RA) on the eNaTIS system to provide proof of residence

A title holder of new, pre-owned, built, or rebuilt motor vehicle, must register it at his/her relevant registering authority to get a registration certificate. If the vehicle is financed, the title holder is the financing institution. When it has been registered and licenced one gets a motor vehicle licence disc. The motor vehicle registration is recorded on the national traffic information system (eNaTIS).

All the transactions done by RA must comply with Regulation 32A of NRTA 93/96 enforced as effective from 01 November 2015, stating that anyone who wishes to transact with the licensing authority is compelled to verify their particulars on eNaTIS including the proof of address. Vehicles with expired licence disc cannot be registered.

Registering Authority Services:

- Renewal of motor vehicle licences
- Registration and licensing of motor vehicles
- Duplicate registration certificate
- De-registrations
- permits
-

REGISTERING AUTHORITY'S PERFORMANCE AND ACCESSIBILITY

Registering is accessible to all the people of South Africa who wishes to register and licence their vehicles. As long the individuals come forward with proof of ownership of the vehicle to be licenced, the registering authority come to party in licensing the vehicle.

ACTIVITITIES CONDUCTED IN REGISTERNG AUTHORITY

Registering Authority Services:

- Renewal of motor vehicle licences
- Registration and licensing of motor vehicles
- Duplicate registration certificate
- De-registrations
- permits

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

Umzimvubu Municipality has two Registering Authorities (Ras) one is at EmaXesibeni Municipal offices and the other is at Kwabhaca municipal offices. Each RA has got two systems.

The one in KwaBhaca is temporarily closed due to maintenance taking place in the building.

There are only 2 available electronic National Information System at EmaXesibeni RA

SUCCESSES

Licensing and Registering of all vehicles in Umzimvubu Municipality are conducted at EmaXesibeni RA. Every owner that comes to licence his vehicles are helped if all papers are in order. Currently we are maintaining 14692 number of vehicles to be registered and licenced per annum at Umzimvubu Registering Authorities.

CHALLENGES

Network connection is still a big challenge in our area.

Staff shortage is another challenge and non-availability of photocopy machines

Registering Authority Data		
Details	**2023-2024**	**2024/2025**
	Actuals	**Actuals**
Total amount collected for the Department of transport (DOT)	R11 145 339.58	R11 289 867.61
Total amount collected for the municipality	R2 714 509.26	R2 718 707.91
Total for Registration and Penalties	N/A	N/A
Total for transaction fees (RTMC)	740 592.00	R731 520.00

Employees : Registering Authority					
Level	**2023/2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3	5	5	5	0	0%
4-6	Nil	Nil	Nil	Nil	N/A
7-9	4	4	4	0	0%
10-12	1	1	1	0	0%
13-15	Nil	Nil	Nil	Nil	0%
Total	10	10	10	0	0%

Capital Expenditure Year 2024/2025: Registering Authority					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
None	N/A	N/A	N/A	N/A	N/A

Financial Performance Year 2024/2025: Registering Authority		
Details	**2023/2024**	**2024/2025**

	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	None	None	None	None	None
Expenditure	None	None	None	None	None
Employees	None	None	None	None	none
Repairs and Maintenance	None	None	None	None	None
Other	None	None	None	None	None
Total Operating Expenditure	None	None	None	None	None
Net Operational Expenditure	None	None	None	None	None

3.17. POUND SECTION

Background:

A pound is a place where stray, lost, abandoned, or surrendered animals are housed. Animals are kept and taken care of by pound officials until they are claimed by their owners.

ACTIVITIES

Pound is basically where impounded stray animals are kept. When stray animals are impounded from the public road or space they are taken directly to the pound. Upon arrival at the pound, they get registered in the impoundment register. They are released to the owner upon payment of the impoundment fee and if they stay more than one day at the pound, sustenance fee is being charged per day. All people are allowed to impound stray animals or animals that have damaged property can be brought to the pound.

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

None

SUCCESSES

All stray animals found straying on public roads in the urban areas and sometimes along N2 get impounded by Rangers. Impoundment and sustenance fees are paid before an impounded animal/s can be released.

CHALLENGES

Attacks by community on rangers when impounding stray animals.

Pound Data		
Details	**2023-2024**	**2024/2025**
	Actuals	**Actual**
Total Number of animals impounded	2756	2183

Employees : Pound					
Level	**2024/2025**				
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3	10	10	10	0	0%
4-6	10	10	10	0	0%
7-9	2	2	2	0	0%
10-12	Nil	Nil	Nil	N/A	N/A
13-15	Nil	Nil	Nil	Nil	N/A
Total	22	22	22	0	0%

Capital Expenditure Year 2024/2025: Pound					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
None	N/A	N/A	N/A	N/A	N/A

Financial Performance Year 2024/2025: Pound					
Details	**2023-2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance to the Budget**
Total Operational Revenue	None	None	None	None	None
Expenditure	None	None	None	None	None
Employees	None	None	None	None	None
Repairs and Maintenance	None	None	None	None	None
Other	None	None	None	None	None
Total Operating Expenditure	None	None	None	None	None
Net Operational Expenditure	None	None	None	None	None

3.3. Housing

1. PURPOSE AND SERVICE MANDATE OF THE HUMAN SETTLEMENTS SUB-SECTION

4.1 To foster an Integrated Human Settlement by influencing the approach to the development of municipal housing strategies through emphasis on moving away from the concept of housing as a mere shelter, to housing as part of an overall strategy to achieve **human settlements** that provide good **quality homes, dignity and surety of tenure** with proper access to the necessary socio-economic opportunities to the residents. To promote social economic and racial integration in the settlements linked to the objectives of densification and integrated mixed land use in UMzimvubu Urban Areas:

- To facilitate and administer all housing projects/programs.
- To facilitate the provision of necessary services for human settlements projects.
- Beneficiary administration
- To provide necessary expertise to quality assurance.
- Provide reports on both qualitative and quantitative project elements.
- To monitor and to give a technical guidance to the council on the implementation of the Housing Sector Plan (HSP).

Employees :Housing					
Level	**2023-2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3					
4-6					
7-9	2	2	1	0	
10-12	2	2	1		
13-15	1	1	1	0	
Total	5	5	5		

Financial Performance Year 2024/2025: Housing					
Details	**2023/2024**	**2024/2025**			
	Actual	**Original Budget**	**Adjusted Budget**	**Actual**	**Variance if any**
Total Operational Budget	850 000	860 000	80 000	845 000	850 000

Expenditure	850 000	860 000	80 000	845 000	850 000
Employees					
Repairs and Maintenance					
Other					
Total Operating Expenditure	850 000	765 000	80 000	845 000	850 000
Net Operational Expenditure	850 000	765 000	80 000	845 000	850 000

Capital Expenditure Year 2024/2025 Housing					
Capital Project	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Housing Sector Plan	R 500 000.00	N/A	R 0.00	None	R 500 000.00

Below is the project budget from the department of human settlements

KEY PERFORMANCE INDICATOR	ANNUAL TARGETS FOR 2024/2025
DESTITUTE AND VULNERABLE	R 1000 000

UNITS	5
FULL SERVICES	0
PARTIAL SERVICES	0
RECTIFICATION	0
BUDGET	R 1000 000

3.4 Free Basic Services and Indigent support

Background:

The municipality provides free basic services in the form of paraffin, solar and electricity from Eskom. Paraffin and solar is provided to indigent households who are not connected to the main grid. The municipality has a register of indigent households of 6684 which is reviewed bi-annually.

Free Basic Services to Low Income House holds							
Year	Number of House Holds						
	Total	House Holds Earning Less than R4 380 Per month					
		Free Basic Electricity			Alternative energy		
		Total	Access	%	Total	Access	%
2024/2025	6684	3271	1126	37%	3413	3129	83%

Financial Performance 2024/2025: Cost to the Municipality Free Basic Services Delivered					
Services Delivered	**2023/2024**	**2024/2025**			
	Actual	**Budget**	**Adjustment Budget**	**Actual**	**Variance to Budget**
Free Basic electricity and free Basic Alternative Energy	4 036 613.06	6841000,00	0	6 790 904.85	929 095.15
Indigent Burial Support	N/A	N/A	N/A	N/A	N/A
Rates	0	0	0	0	0
Free Basic Services: Refuse removal and compilation of indigent register	0	0	0	0	0

Challenges:

- ❖ Eskom data that does not align with municipal indigent register (demarcation mismatch)
- ❖ FBS communication not communicated effectively to wards
- ❖ Shortage of staff.
- ❖ Applicants do not submit required documentation.
- ❖ Tempering of Meter box whereby the applicant is approved to receive FBE, but he/she is not collecting FBE token because of tempering.
- ❖ Non-collection of paraffin subsidy by beneficiaries.

3.7 Local Economic Development and Tourism

- To create conducive environment for the business to trade.
- To create job opportunity through LED initiatives

The objectives of the LED and Environment Department are:

- to promote local economic development.
- to promote and enforce proper environmental practices.
- to promote SMME development (entrepreneurship).
- to promote tourism initiatives.
- to promote forestry development.
- to promote Agrarian Reform.

2024/2025 CROPPING SEASON:

The ploughing programme was implemented on two folds thus supply of production Inputs and mechanization of 375has of yellow maize. The number of 28 Umzimvubu Local Municipality wards were planted as per the scope of works and the programme was achieved. The number of planted maize sites on 28 wards are 48 maize sites and 4 vegetables sites.

Challenges encountered

The most sites have done very well, and the minimum yield estimates recorded were 3tons per hectare as contributed by the following factors:

1. Knowledge and experience of the service providers to calibrate their planters.
2. Lack of commitment from beneficiaries on some maize sites.
3. Late spraying due rainfalls to some areas during the operations.
4. Changing of weather patterns from heavily rains and resulting to draughts.
5. Lack of tractor and planting equipment on service providers leading to late planting as hiring of tractors and lease remain as the option.
6. Late planting due to appointment of service providers.
7. Drying of maize more especially during draught and some during spraying as the planted maize rapidly lost water to hydration.

ANALYSIS OF THE CROPPING AND HARVEST REPORT

The drought persisted on our areas because of non-availability of the rain. The following table show the total harvest for both 5has and 10has projects.

No of has for 28 wards	Number of bags harvested	Number of tons
5has	9884 bags of maize	395,36 tons
10has	17 920 bags	718,8 tons

MAIZE PLANTED:

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Brooksnek cooperative	Brooksnek	1	36	10has	10has	05 December 2024
Masitye-sonke cooperative	Phepheni		23	5ha	5ha	05 December 2024
Sipholweni Cooperative	Sipolweni	2	39	10has	10has	05 December 2024
Luthambeko Co-operative	Lubaleko		8	5has	5has	05 December 2024
						05 December 2024
Gugwini Project	Gugwini	3	43	10has	10has	05 December 2024
Sondle Cooperative	Dundee		13	5has	5has	05 December 2024
Sigidini -Cooperative	Sigidini	4	47	10has	10has	05 December 2024
Meshace cooperative	Singeni		25	5has	5has	05 December 2024
Ndzongiseni Project	Ndzongiseni	5	33	10has	10has	05 December 2024

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Mafusini cooperative	Bhonga		13	5has	5has	05 December 2024
Mwaca project Mbumbazi project Sisulwini project Mqhekezweni	Mwaca Mbumbazi Sisulwini Mqhekezweni	6	38	10has	10has	05 December 2024
Mqhokweni -Cooperative	Mqhokweni		09	5has	5has	05 December 2024
Mombeni Project	Mombeni	7	13	5ha	5ha	05 December 2024
Santombe Cooperative	Santombe		12	5ha	5ha	05 December 2024
Masikhanyise Cooperative	Skhemane		14	5has	5has	05 December 2024
Ngwekazana Cooperative	Ngwekazana 10ha	8	46	10has	10has	05 December 2024
Ngqubusini Cooperative	Lugelweni -5ha		10	5has	5has	05 December 2024
Siphundu	Siphundu Mhluzini	9	48	10has	10has	05 December 2024

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Mhluzini Goso co-operative	Goso					
Saphukanduku co-operative	Saphukanduku		09	5has	5has	05 December 2024
Mdakeni Cooperative	Mdakeni	10	17	5has	5has	05 December 2024
Ngqumane Cooperative	Ngqumane		5	5has	5has	05 December 2024
Voveni - Cooperative	Voveni	11	43	10has	10has	05 December 2024
Tusanang – Cooperative	Nyosini		6	5has	5has	05 December 2024
Mpoza - Cooperative	Mpoza -	12	35	10has	10has	12 December 2024
Tyeni - Cooperative	Vuka uzendzele Agric Co-operative		6	5has	5has	05 December 2024
Ntlabeni Cooperative	Ntlabeni	13	28	10has	10has	05 December 2025
Mxhinweni co-operative	Mxhinweni		8	5has	5has	05 December 2024
Mndini Co-operative	Mndini	14	29	10has	10has	05 December 2024

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Goxa Co-operative	Goxa					
Nqalweni- Cooperative	Nqalweni		12	5has	5has	05 December 2024
Buffalonek Cooperative	Buffalonek	15	39	10has	10has	05 December 2024
Usokulungisa Co-operative	Njijini		04	5has	5has	05 December 2024
Silver city Cooperative	Silver city	16	89	10has	10has	12 December 2024
Sipilini Cooperative	Sipilini					
Bhokobhana Cooperative	Bhokobhana					
Macamsholo Cooperative	Macamsholo					
Snonozana Cooperative	Panana		08	5has	5has	12 December 2024
Lubhacweni Cooperative	Lubhacweni	17	68	10has	10has	12 December 2024
Sakhukhanyo Co-operative	Lubhacweni		17	5has	5has	12 December 2024
Sophia Co-operative	Sophia	18	76	10has	10has	12 December 2024
Badibanise Co-operative	Badibanise					

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Town Co-operative	Town					
Badibanise Co-operative	Badibanise		98	5has	5has	12 December 2024
Qumrha Cooperative	Qumrha	19	27	10has	10has	12 December 2024
Mtshazi Thuthukani cooperative	Mtshazi		8	5has	5has	12 December 2024
Ngxabaxha Cooperative	Ngxabaxha	20	26	3.3has	3.3has	12 December 2025
Mphemba Cooperative	Mphemba		27	3.3has	3.3has	12 December 2024
Mawusheni Cooperative	Mawusheni			3.3has	3.3has	12 December 2024
Hohane Cooperative	Cabane		16	5has	5has	12 December 2024
Mhlanganisweni Cooperative	Mhlanganisweni	21	13	5has	5has	12 December 2024
Kwahala Cooperative	Kwahala		16	5has	5has	12 December 2024
Xolo Cooperative	Toleni / Kwahala		17	5has	5has	12 December 2024
Nkandla Cooperative	Nkandla	22	47	10has	10has	12 December 2024

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Maxoweni Cooperative	Bodalla		37	5has	5has	12 December 2024
Mampondomiseni - Cooperative Qwidlana Cooperative Dayimani project	Mampondomiseni Qwidlana Dayimani	23	47	10has	10has	12 December 2024
Hlokoloza – Cooperative	Matyamhlophe		5	5has	5has	12 December 2024
Magontsini project	Magontsini	24	36	10has	10has	12 December 2024
Sivumele Lisakhasa cooperative	Sivumele		14	5has	5has	12 December 2024
Nkompolweni project	Nkompolweni	25	9	10has	5has	12 December 2024
Sakha isizwe cooperative	Khangela		14	5has	5has	12 December 2024
Ntuli Trustini project	Ntuli Trustini	26	36	10has	5has	12 December 2024

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Someleze cooperative	Cabazana		9	5has	5has	12 December 2024
Mbodleni project	Mbodleni	27	10	5has	5has	12 December 2024
Mtsane Project	Mtsane		08	5has	5has	12 December 2024
Qubani cooperative						
	Mbodleni		9	5has	5has	12 December 2024
Chithwa project	Sibeko	28	48	10has	10has	12 December 2024
Chitwa -cooperative	Chitwa		14	5has	5has	12 December 2024

CONTRACTOR DEVELOPMENT PROGRAM

There is no activity taking place under this programme

INFORMAL TRADING: MARKET PLACE

The municipality has constructed 68 hawker stalls at Kwa-Bhaca with 68 SMMEs that are utilising them on different commodities, the challenge with these hawker stalls is that there is no water, electricity and they need to be renovated some stalls leak during summer time.

At EmaXesibeni DEDEAT constructed 24 formal stalls & 60 semi formal stands to accommodate 84 Hawkers.

There are 600 street traders in both towns, the challenge is there is no enough space for them to trade some are trading on non-designated areas, there is no shelter, some stands are designated on non-paved areas and during summer time their products are damaged. Some stands are close to the national road and it is against the municipal by-laws. Kwa- Bhaca the main challenge is the construction of N2 that disrupts the whole town some hawkers had to stop trading because the construction is taking place near their stands their products are a messed up with dust.

TOURISM

Umzimvubu area is a prime destination for those who seeks to visit heritage and historical battle sites. There are natural attractions in the area (Ntsizwa Mountain, Ntenetyana Dam, Goxe caves, Ramza waterfalls etc) but they are underdeveloped. These attractions have a potential to attract more tourists and boost the economy. Currently there are developments that are taking place at Ntenetyana Dam (Braai area facility) Ntsizwa hiking trail (Fencing , guard room, ablution facility)

CHALLENGES:

There is no Infrastructure to the attractions (Roads).

There is no funding to develop these attractions.

SUCCESSES:

The municipality is hosting annual events (Annual Fashion Show, Annual Agricultural Show,) these events assist to attract people to visit the area to spend a day or two and spend their money. Recently the District Municipality has hosted the spring day event whereby all accommodation establishments of Umzimvubu were fully booked for the weekend, and local SMMEs benefited by showcasing their products through fashion show, and some were selling food during the event.

The municipality also participates during the Tourism marketing & trade shows to market & promote Umzimvubu as a preferred tourist destination. (Tourism Indaba, Natal Royal Show, Grahamstown National Arts Festival).

STIMULATING THE SECONDARY ECONOMY

The municipality is in the process to develop the Ntsizwa hiking trail & establish Ntenetyana Dam campsite. Umzimvubu Local Municipality's LED strategy for the 2024/2025 financial year includes limited publicly detailed plans specifically targeting the second economy (informal sector, SMMEs, cooperatives), with emphasis on broader economic support like infrastructure and trader facilities.

Key Initiatives

The LED Funding Selection Policy explicitly identifies SMME and cooperative development as a flagship initiative to address second economy needs, stimulating informal sector growth and with funding mechanisms. .A sum of R26.5 million eMaxesibeni Hawkers Centre was launched to benefit 150 informal traders, providing permanent infrastructure for clean, safe trading to boost local economic activity. Planning Documents / Plans.Official documents like the SDBIP, IDP review, and budget reports for 2024/2025 focus primarily on infrastructure.

Jobs Created by LED Initiatives excluding

Year (Top 3 Initiatives)	No of jobs created	Jobs lost/ displaced by other initiative	Net Total jobs created in a year	
2024/2025	No jobs created	N/A		
2024/2025	12 Jobs created for the Rain water harvesting implementation	N/A	12	
2024/2025	06 indirect jobs created in the bee keeping project through the supply of equipment to 03 projects.	N/A	06	
2024/2025	22 Jobs created through labour for the donga rehabilitation in 03 wards.	N/A	22	

Jobs created by EPWP projects		
Year	**No of EPWP projects**	**No of Jobs created**
2024/2025	No Jobs created	N/A

Employees : Local Economic Development and Tourism					
Level	**2023-2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
0-3	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A

Employees : Local Economic Development and Tourism					
Level	**2023-2024**	**2024/2025**			
	Employees No	**Posts No**	**Employees No**	**Vacancies**	**Vacancies %(As a %of total posts**
4-6					
7-9	N/A	N/A	N/A	N/A	N/A
10-12	04	04	04	01	0%
13-15	1	N/A	1	1	0%
Total	5		5		

Capital Expenditure Year 2024/2025: Local economic Development					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Anchor Project	R3.m	N/A	R3.m	N/A	R3.m
SMME & Cooperative Support Fund	R150.000	N/A	R195 000,00	N/A	R195 000,00

3.19. Human Resources and Skills Management

Human resources play a vital role in being a strategic partner to all departments. It ensures that the municipality is able to do the following:

- *Planning for the municipal workforce in totality;*
- *Developing a capable and skilled workforce that is striving towards service excellence;*
- *Setting guidelines to strengthen leadership and develop human capital by attracting, retaining scarce, valued and critically required skills for the municipality.*

In line with the above, the HR unit is responsible for ensuring that the municipality:

- *has the right number and composition of employees with the right competencies, in the right places, to deliver on the Municipality's mandate and achieve its strategic goals and objectives;*
- *makes optimum use of human resources and anticipates and manages surpluses and shortages of staff;*
- *has a suitably skilled and competent workforce to add value to municipality in delivering sustainable solutions, advice and capacity building to the municipality in the following areas:*
    - *Human resource planning*
    - *Equal employment opportunity*
    - *Recruitment and selection*
    - *Compensation and benefits*
    - *Employee and labour relations*
    - *Health, safety, and security*
    - *Human resource development*
    - *Organisation and job design*
    - *Performance management/ performance appraisal systems*
    - *Research and information systems*
    - *Training and development (T&D)*
    - *Organisational development*
    - *Career development*

RECRUITMENT AND SELECTION

Positions on Organisational Structure: *Organisational Structure was reviewed and approved by municipal Council after consultation with Cogta.*

Filled positions: 223

Vacant Positions filled during 2024/2025: 19

SKILLS DEVELOPMENT AND TRAINING

The skills development unit is a strategic partner to the municipality by ensuring that all employees and councillors are driven to excellence through capacitation and development which will improve the service level of its performance.

Its main objective is to build and Sustain a Capable, Diverse, Well-Trained, Workforce and Enhance Retention Through Learning and Professional Development Opportunities

Councillors and employees have been trained in different levels in order to improve the quality of their work and their prospects of work and labour mobility. The outcome is to improve productivity in the workplace and competitiveness of employer.
The municipality has increased the level of investment in education and training for its Councillors and employees it yields on the return on that investment.
There are formal and informal trainings conducted and that includes a bursary for obtaining formal qualifications.
Out of 223 employees in the institution, 99 of them were trained and developed according to their levels and needs.
Out of 55 Councillors, 26 were trained and developed according to their needs.
All new employees are subjected to a comprehensive induction process whereby the mode of operation of the municipality is outlined.

3.20. Information and Communication Technology Services

Printing Solutions

The Municipality has entered into a two-year contractual agreement with the appointed service provider for the implementation and support of a comprehensive printing solution.

MUNICIPAL LICENSES AND SLAs

- *SLA for Performance Management Automated System*
- *SLA for provision of Occupational Doctor since 2023 Jan till Jan 2026*
- *SLA for provision of Screening and vetting and qualifications and credit check 2023 Jan till 2026 Jan*
- *SLA for provision of Panel of Trainers (6 Services Providers) March 2023 till February 2026*
- *SLA for Network maintenance for two years January 2024 – December 2026*
- *SLA for Provision of Computer Equipment October 2023 – September 2026*
- *SLA for Cellphones for Councillors and Employees May 2024 April 2027*
- *SLA for Website Management November 2024 – October 2026*
- *SLA Telkom SA August 2019 – September 2024*

PROCUREMENT OF HARDWARE

The ICT Section has successfully completed critical hardware procurements aimed at enhancing service delivery and ensuring the Municipality's ICT infrastructure remains reliable and efficient.

1. Laptops for Employees
   A total of fifty-five (55) laptops have been procured for employees. The devices have been distributed to all municipal employees whose previous laptops had been written off.
2. Wi-Fi Project - Saphukanduku Senior Secondary School, which was nominated as the best-performing school in the 2023 academic year was selected as a beneficiary and they have Wi-Fi coverage within the school premises.
3. For the ICT Schools Development Project, Ntsizwa Senior Secondary School (SSS) together with its feeder, Ntsizwa Senior Primary School (SPS), as well as Lutateni Senior Secondary School (SSS) and its feeder, Lutateni Senior Primary School (SPS) qualified to be the beneficiaries. The project seeks to promote digital literacy, support e-learning, and recognize schools that demonstrate strong academic performance, thereby contributing to improved education outcomes and community development. Each school received laptops and printer.

Network Infrastructure

The ICT Section is currently operating under a two-year contractual agreement with the appointed service provider for the provision of network maintenance services. The municipality identified the need for networking services at the KwaBhaca Offices to enhance connectivity and operational efficiency. A service provider has been duly appointed to render these services.

ICT Governance

The ICT Governance of Umzimvubu Local Municipality is structured to ensure accountability, compliance, and alignment of technology initiatives with the Municipality's strategic objectives. Guided by the Corporate Governance of ICT Policy Framework (CGICTPF) and municipal policies, ICT continues to implement projects that enhance service delivery, strengthen information security, and optimize resources. Key achievements include the rollout of the Electronic Document Management System (EDMS), the procurement of laptops for Employees to support e-Governance. ICT remains committed to advancing digital transformation through the Five-Year ICT Strategy (2021–2025), improved risk management, and enhanced service delivery to the community.

Policies

Information Technology Policies				
	Name of Policy	**Completed**	**Reviewed**	**Adopted**
1	Access Control Policy			
2	Change Control Policy	Yes	Yes	Yes
3	ICT Asset Management Policy	Yes	Yes	No
4	ICT Governance Charter	Yes	Yes	Yes
5	ICT Governance Framework (with ICT Strategy)	Yes	Yes	Yes
6	ICT Governance Policy	Yes	Yes	Yes
7	ICT Infrastructure Policy	Yes	Yes	Yes
8	ICT Security Policy	Yes	Yes	Yes
9	ICT Service Management Policy	Yes	Yes	Yes
10	Virus and Patch Management	Yes	Yes	Yes
11	Business Continuity Plan	Yes	Yes	Yes
13	Disaster Recovery Plan	Yes	Yes	Yes

3.21. MEETINGS AND ADMINISTRATION AND REGISTRY SERVICES

As part of good governance, Umzimvubu Local Municipality ensures that the following meetings sits monthly:

- Managerial Committee meetings
- Standing committees,
- Executive Committee, and

- Council meetings,

There are other statutory meetings that sits as well on a monthly basis i.e Health & Safety Committee, Local Labour Forum, Training Committee etc. Other statutory meetings sits bi-monthly or quarterly i.e Audit & Performance Management Committee, Risk Committee. All these meetings ensure that there is monitoring and evaluation on the performance and execution of responsibilities.

These meetings reflect in the municipal calendar of meetings that is adopted by the Council. They are scheduled and managed in accordance with applicable legislation, such as the Municipal Structures Act and Municipal Systems Act. Notices, agendas, and minutes are prepared and made available to Councillors and Officials as per the Municipal Standing Rules and Order.

Administration:

The Municipal administration is solid and running the institution in the best possible manner. All positions of Senior Managers are filled and where there was a vacancy then an acting appointment was done. The municipality has six (6) departments that carries out the mandate of the municipality. There are three (3) departments which provides support being Budget & Treasury, Corporate Services and Special Programmes & Communication. The other three departments render or provide service delivery being Infrastructure & Planning, Citizen & Community Services and Local Economic Development.

The administration ensures that there are municipal policies, strategies and bylaws in place and ensures that they are adhered to.

Performance is monitored through ensuring that the service delivery targets are aligned with the Integrated Development Plan and all the targets are met.

Financial management is monitored, resources are distributed guided by a funded budget.

There is a secretariat unit where minutes of all meetings are captured accordingly. They distribute council resolutions and ensures that the resolutions to be implemented are distributed on time.

Registry:

Registry services are responsible for managing official municipal records, correspondence, and documentation in accordance with the Promotion of Access to Information Act (PAIA) and other records management standards.

This includes the registration, filing, retrieval, and safekeeping of all official documents such as council resolutions and notices, contracts.

The registry ensures the integrity and accessibility of information, both for internal use and for public access, promoting transparency and good governance.

3.22. Employee Health and Well – being.

As part of Employee Assistance Programme, the municipality makes use of an external service provider who is an Occupational Doctor. The Doctor provides services like annual medical surveillance and psychological assistance to both employees and councillors.

The municipality also embraces wellness days where all sport codes are coordinated and a sports day is held annually. During the wellness days, all stakeholders like medical aid schemes and pension funds are invited.

Chapter 4: Organisational Development Performance

Component A: Introduction to Municipal Personnel

4.1. Employee Totals, Turnover and Vacancies

Employees				
Description	**2024/2025**			
	Approved Posts	**No. Of Employees**	**Vacancies**	**Vacancy Rate in %**
Section 56 Senior Managers	7	6	1	14.29%
Managers	24	20	4	17%
Support Personnel (Officers, Coordinators, Administration Clerks & General Workers)	201	197	4	2%
Totals	**232**	**223**	**9**	**3.88%**

Vacancy rate: 2024/2025			
Designation	**Total No. of approved posts**	**Vacancies(Total time that vacancies exist using fulltime equivalent**	**Vacancies (as proportion of total posts in each category)**
Section 56 Managers	7	1	14.29
Managers	24	4	17%
Support Personnel	201	197	2%
Total	**232**	**223**	**4%**

Managing the Work Force

The municipality has systems in place which assist in managing the workforce. Each employee must make use of work attendance register since the Biometrics system could not be used due to moving to new offices. The Biometrics system will be used in 2025/26 financial year after being reinstalled.

The monthly sitting of Local Labour Forum is not only meant for compliance with the Collective Agreement but is meant to ensure that all the issues affecting both employer and labour components are discussed and resolved. Managing the work force is not only the responsibility of management but its for all those who hold leadership positions.

Departmental meetings also take place quarterly and there is also a special meeting between departments and Senior Managers. All issues pertaining to the processes and procedures that governs the institution are discussed in such meetings.

1.2. Policies

Human Resources Policies				
No.	**Name of Policy**	**Completed**	**Reviewed**	**Adopted**
1	Acting Policy	Yes	Yes	Yes
2	Overtime Policy	Yes	Yes	Yes
3	Induction & Orientation Policy	Yes	Yes	Yes
4	Leave Policy	Yes	Yes	Yes
5	Disciplinary Code and Procedures	Yes	Yes	Yes
6	Grievance Procedure	Yes	Yes	Yes
7	Job Evaluation	Yes	Yes	Yes
8	Recruitment & Selection	Yes	Yes	Yes
9	Training & Development	Yes	Yes	Yes
10	Retention Policy	Yes	Yes	Yes
12	Retirement Policy	Yes	Yes	Yes
13	Standby Policy	Yes	Yes	Yes
14	Organisational Design	Yes	Yes	Yes
15	Benefit Policy	Yes	Yes	Yes
16	Attendance & Punctuality Policy	Yes	Yes	Yes
17	Employee Wellness Policy	Yes	Yes	Yes
18	Fleet Management Policy	Yes	Yes	Yes
19	Risk Management Strategy	Yes	Yes	Yes

4.3. Suspensions

There was no suspension that took place in the municipality.

4.4 Performance Rewards

Senior Managers and Management are rewarded for outstanding performance as per the Municipal Performance Management Policy, Municipal Systems Act and other Regulations for Performance Management.

Employees below management are rewarded through recognition of excellent performance ceremony, where best performance is recognised per categories (sectional, Departmental and Employee of the Year). The employees are rewarded with awards and vouchers.

4.4. Skills Development and Training this must also include skills development expenditure.

Skills Development Matrix										
Management Level	Gender	Employees in posts as at 30 June 2025	Learnerships		Skills programmes and other short courses		Other forms of training		Totals	
		No of employees	Target 2024/2025	Actual 2024-2025	Target 2024/2025	Actual 2024-2025	Target 2024/2025	Actual 2024/2025	Target 2024/2025	Actual 2024/2025
Municipal Manager &S56 & 57 managers	Female	3	0	0	1	1	0	0	1	1
	Male	4	0	0	4	3	4	3	4	3
Councillors	Female	27	0	0	27	6	1	1	7	7
	Male	28	1	0	28	14	4	4	28	19
Technicians and Associate Professionals	Female	6	1	1	0	0	6	6	7	7
	Male	13	5	5	0	0	12	8	17	13
Professionals	Female	39	9	7	8	8	30	17	47	32
	Male	33	6	5	3	3	10	9	19	17
Sub totals	Female	75	10	8	36	15	30	24	62	47
	Male	78	12	10	33	19	24	23	70	52
Totals		153	22	18	69	34	54	47	132	99

Financial Development Competencies					
Description	**Number of officials employed**	**Total number**	**Competency assessment completed**	**Number of officials with performance agreements complying with regulation 16**	**Total number of officials meeting prescribed competency levels**
Financial Officials					
Accounting Officer	1	1	Yes	1	1
Chief Finance Officer	1	1	Partially Completed	1	0
Heads Of Departments	4	4	Partially Completed	4	2
Assistant Manager Supply Chain	1	1	Partially Completed	1	0
Other Financial Officials	5	5	Partially completed	3	3
Totals	**12**	**12**		**10**	**6**

Skills Development Expenditure								
Management Level	**Gender**	**Employees in posts as at 30 June 2025**	**Skills programmes and other short courses**		**Other forms of training**		**Total**	
		No of employees	**Original Budget**	**Actual**	**Original Budget**	**Actual**		
Municipal Manager & S56 & 57 managers	Female	1						
	Male	3						

Councillors &Managers	Female	7						
	Male	19						
Technicians and Associate Professionals	Female	7						
	Male	13						
Professionals	Female	32						
	Male	17						
Sub total	Female	47						
	Male	52						
Total		**99**	R1 400 000	R1 400 000	0	0	R535 762,41	R535 762,41

Capital Expenditure Year 2024/2025: Corporate Services					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
IT Equipment	R1500000,00		R1256436.11	R243563.89	
Vehicles	N/A				
Furniture & Equipment	R420000			R420000	
ICT	R3150000.00	R1394006.00			
Training & Development	R1000000.00		R535762.71	R464 237.59	
Protective Clothing	N/A				
Vehicle Fuel & Oil	N/A				
Advertising Fees	R342996.00		R152512.92	R172483.08	

Capital Expenditure Year 2024/2025: Corporate Services					
Capital Projects	**2024/2025**				
	Budget	**Adjusted Budget**	**Actual Expenditure**	**Variance from Original Budget**	**Total Project Value**
Water & Sanitation	N/A				
Training: Students	R666004.00		R184407.95	R481596.05	
Study Assistance	R660000.00		R426149.22	R233850.78	
EAP	R645000.00		R570480.00	R74520.00	
Tracker	N/A				
Telephone	R1620004.00		R848353.17	R771650.83	
Travelling & Accommodation	R500496.00	R700496.00	R580209.47	R79713.47	
Subsistence & Travelling	R420000.00		R349539.38	R70460.65	
Printing & Stationery	R93000.00	R93000.00	R223950.78	R-130950.78	
Labour Relation	R27000.00		R27000.00	R27000.00	
ICT License	R340996.00		R259626.00	R81370.00	
License Fees	N/A				
Insurance External	N/A				
Conference & Workshops	R247000.00		R219586.81	R270413.19	
Cleaning Material	R363152.00	R13152	R300.00	R362852.00	
R&M Equipment & Vehicles	N/A				
R & M Building & Installation	N/A				
TOTAL					

Component H: Corporate Policy Offices and Other Services

3.17. Executive and Council Structures.

Umzimvubu Local Municipality comprises a total of 28 Ward Councillors and 27 Proportional Representation (PR) Councillors.

The Council is formulated as follows:

NO	MEMBERS OF COUNCILLOR	DESIGNATION
1	Cllr. N. G. Mdzinwa	Speaker
2	Cllr. Z. Ndevu	Mayor
3	Cllr N.F Ngonyolo	Chief Whip
4	Cllr N. Sonyabashi	PH C&CS
5	Cllr. A.N. Garane	PH I&P
6	Cllr X. Jona	PH: LED
7	Cllr N. Nkula	PH B&T
8	Cllr T. Sokhanyile	PH: SP& COMM
9	Cllr. I. Nodali	PH CS
10	Cllr. C.N. Mnyayiza	EXCO Member
11	Cllr. T. Ntsalaze	Exco Member
12	Cllr. M. Magobane	EXCO Member
13	Cllr. M. Mataka	MPAC Chairperson
14	Cllr T.E. Sincindi	Member
15	Cllr X Lungu	Member
16	Cllr. M. Tuku	Member
17	Cllr. C.L. Noqhakala	Member
18	Cllr. N.A. Mantshongo	Member
19	Cllr F. Ntwakumba	Member
20	Cllr. N. Gogela	Member
21	Cllr F. P. Sontsi	Member
22	Cllr. A.P. Mkhonto	Member
23	Cllr M. Hlanekela	Member
24	Cllr N. Nomnganga	Member
25	Cllr V. Nomnganga	Member
26	Cllr V. P. Gogela	Member
27	Cllr C. Madyibi	Member
28	Cllr B. K. Khehle Salukazana	Member
29	Cllr Z. H. M. Ngqasa	Member
30	Cllr M.G. Ngwaqa	Member
31	Cllr Z Mampemvini	Member
32	Cllr N Jwara	Member
33	Cllr N. V. Giwu	Member
34	Cllr P. P. Magujulwa	Member
35	Cllr A. Jakuja	Member
36	Cllr D.N Ntshobane	Member
37	Cllr D. Ndema	Member
38	Cllr N. Nogada	Member
39	Cllr M Kakaza	Member
40	Cllr S Faye	Member
41	Cllr N. Hlanekela	Member
42	Cllr M Kiviet	Member

NO	MEMBERS OF COUNCILLOR	DESIGNATION
43	Cllr P. K. Thingathinga	Member
44.	Cllr L Mveku	Member
45	Cllr B. T. Ngqasa	Member
46	Cllr W. Z Nqakwana	Member
47	Cllr. L. Mapala	Member
48	Cllr L. Gwentshu	Member
49	Cllr N. Xolo	Member
50	Cllr T Ngxabi	Member
51	Cllr B. Sobhayi	Member
52	Cllr M.B. Jonase	Member
53	Cllr N Mdingi	Member
54	Cllr M. Sonyabashe	Member
55	Cllr S. Mathebe	Member

The Executive Committee is structured as follows:

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1	Cllr. Z. Ndevu	Mayor
2	Cllr N. Sonyabashi	PH C&CS
3	Cllr. A.N. Garane	PH I&P
4	Cllr X. Jona	PH: LED
5	Cllr N. Nkula	PH B&T
6	Cllr T. Sokhanyile	PH: SP& COMM
7	Cllr. I. Nodali	PH CS
8	Cllr. C.N. Mnyayiza	EXCO Member
9	Cllr. T. Ntsalaze	Exco Member
10	Cllr. M. Magobane	EXCO Member

Career Exhibition

This programme was developed after the municipality recognized that many high school learners are not provided sufficient exposure to Higher Education Institutions and Further Education and Training Institutions before they make subject and career choices and leave school. The aims for this initiative are to

- Provide high school learners with access to study and information for future career pathing and available bursaries.
- Motivate learners to make informed and calculated career choices and/or to further their education after completing high school.

DATE	VENUE	NO. OF SCHOOLS	TIME
11-13 March 2025	KwaBhaca, Sophia Next to New Municipal Offices	35	09h00

The career EXPO took three days, and 35 schools attended, with a total of 5513 learners from Umzimvubu Jurisdiction . The event was graced with the presence of 28 exhibitors.

3.21. MEETINGS AND ADMINISTRATION AND REGISTRY SERVICES

As part of good governance, Umzimvubu Local Municipality ensures that the following meetings sits monthly:

- Managerial Committee meetings
- Standing committees,
- Executive Committee, and
- Council meetings,

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The municipality also embraces wellness days where all sport codes are coordinated and a sports day is held annually. During the wellness days, all stakeholders like medical aid schemes and pension funds are invited.

COUNCILLOR ATTENDANCE TO COUNCIL MEETINGS FROM JULY 2024 TO JUNE 2025FY

Abbreviations:

A: Apology

NA: No Apology

Yellow: Poor Attendance

Red: Very Poor attendance

As per the Council resolution taken in the Council meeting held in June 2024. It was agreed that the penalties for non-attendance to Council committee meetings will be effective should a member of Council not attend 3 or more consecutive meetings. This report is from July 2024 to June 2025. The period for consideration on this report is the 3 previous Council meetings highlighted in blue

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
1.	Cllr. N. G. Mdzinwa	Speaker	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	1	15	13	2	86%
2.	Cllr. Z. Ndevu	Mayor	1	1	1	1	NA	1	1	1	1	1	1	1	1	1	1	1	15	14	1	93%
3.	Cllr N.F Ngonyolo	Chief Whip	1	1	1	1	NA	1	1	NA	1	1	A	1	A	1	1	1	15	11	4	73%
4.	Cllr N. Sonyabashi	PHC&CS	1	1	1	1	NA	1	1	1	1	1	1	1	1	1	A	1	15	13	2	86%
5.	Cllr. A.N. Garane	PHI&P	1	1	1	1	1	1	1	1	A	1	1	1	1	1	1	1	15	14	1	93%
6.	Cllr X. Jona	PH: LED	1	1	1	1	1	1	1	A	1	1	1	1	1	1	1	1	15	14	1	93%
7.	Cllr N. Nkula	PHB&T	1	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	15	13	2	86%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
8.	Cllr T. Sokhanyile	PH: SP & COMM	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15	15	0	100%
9.	Cllr. I. Nodali	PHCS	1	NA	1	1	1	1	1	NA	1	1	1	1	1	1	A	1	15	12	3	80%
10	Cllr. C.N. Mnyayiza	EXCO Member	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	1	15	13	2	86%
11	Cllr. T. Ntsalaze	Exco Member	1	NA	1	1	NA	1	1	NA	1	NA	1	NA	NA	1	1	1	15	9	6	60%
12	Cllr. M. Magobane	EXCO Member	1	NA	1	1	NA	1	1	1	1	1	A	1	1	1	NA	1	15	11	4	73%
13	Cllr. M. Mataka	MPAC Chairperson	1	NA	1	1	NA	1	1	1	1	1	1	1	1	1	1	1	15	13	2	86%
14	Cllr T.E.	Member	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	1	15	13	2	86%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
	Sincindi																					
15	Cllr X Lungu	Member	1	NA	1	1	1	NA	1	1	1	NA	1	1	1	1	1	1	15	12	3	80%
16	Cllr. M. Tuku	Member	1	NA	1	1	NA	1	1	1	1	NA	1	NA	1	1	NA	NA	15	10	5	66%
17	Cllr. C.L. Noqhakala	Member	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	A	NA	15	12	3	80%
18	Cllr. N.A. Mantshongo	Member	NA	NA	1	NA	NA	1	1	NA	NA	NA	1	NA	1	1	NA	1	15	6	9	40%
19	Cllr F. Ntwakumba	Member	NA	NA	1	NA	NA	NA	1	1	1	NA	1	NA	1	1	1	1	15	8	7	53%
20	Cllr. N. Gogela	Member	1	1	1	1	1	1	1	1	1	NA	NA	1	1	NA	NA	1	15	11	4	73%
21	Cllr F. P.	Member	1	NA	1	1	NA	1	1	NA	1	1	NA	NA	1	1	A	NA	15	9	6	60%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
	Sontsi																					
22	Cllr. A.P. Mkhonto	Member	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	1	15	13	2	86%
23	Cllr M. Hlanekela	Member	1	NA	1	1	NA	NA	NA	1	1	1	1	1	1	1	A	1	15	10	5	66%
24	Cllr N. Nomnganga	Member	1	NA	1	NA	NA	1	1	1	1	1	1	1	1	1	1	1	15	12	3	80%
25	Cllr V. Nomnganga	Member	NA	NA	1	1	NA	1	1	1	1	1	1	1	1	1	1	1	15	12	3	80%
26	Cllr V. P. Gogela	Member	1	NA	1	NA	1	1	1	1	1	NA	1	1	1	1	1	1	15	12	3	80%
27	Cllr C. Madyibi	Member	NA	NA	1	1	NA	1	1	1	1	1	NA	1	1	NA	1	NA	15	10	5	66%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
28	Cllr B. K. Khehle Salukazana	Member	1	1	1	NA	NA	1	1	1	1	1	1	1	A	1	1	1	15	12	3	80%
29	Cllr Z. H. M. Ngqasa	Member	1	NA	1	NA	NA	1	1	NA	NA	NA	NA	1	1	1	NA	NA	15	7	8	46%
30	Cllr M.G. Ngwaqa	Member	1	1	1	1	NA	1	1	1	1	1	1	1	1	1	1	1	15	14	1	93%
31	Cllr Z Mampemvini	Member	1	1	1	1	1	1	1	A	1	1	1	1	1		A	1	15	13	2	86%
32	Cllr N Jwara	Member	1	1	1	1	1	1	1	1	1	1	A	1	1	1	NA	1	15	13	2	86%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
33	Cllr N. V. Giwu	Member	1	1	1	1	NA	1	1	1	1	1	1	1	1	1	1	1	15	14	1	93%
34	Cllr P. P. Magujulwa	Member	1	1	1	1	1	1	1	1	1	1	A	1	1	1	A	1	15	13	2	86%
35	Cllr A. Jakuja	Member	1	1	1	NA	1	1	1	1	1	1	1	1	A	1	1	1	15	13	2	86%
36	Cllr D.N Ntshobane	Member	1	NA	1	1	NA	1	A	A	1	1	1	1	1	NA	NA	1	15	9	6	60%
37	Cllr D Ndema	Member	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	1	15	13	2	86%
38	Cllr N. Nogada	Member	1	NA	1	1	NA	1	1	1	1	1	1	NA	1	1	1	NA	15	12	3	80%
39	Cllr M Kakaza	Member	1	1	1	1	NA	1	1	1	1	1	1	1	1	NA	1	NA	15	13	2	86%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
40	Cllr S Faye	Member	1	1	1	1	NA	1	1	1	1	NA	1	1	1	1	1	1	15	13	2	86%
41	Cllr N. Hlanekela	Member	1	NA	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15	14	1	93%
42	Cllr M Kiviet	Member	1	NA	1	1	1	1	1	1	1	NA	A	1	1	1	1	NA	15	12	3	80%
43	Cllr P. K. Thingathinga	Member	1	NA	1	1	NA	1	1	1	1	1	A	1	1	1	1	1	15	12	3	80%
44.	Cllr L Mveku	Member	1	1	1	NA	NA	1	1	A	1	1	1	NA	1	1	NA	NA	15	10	5	66%
45	Cllr B. T. Ngqasa	Member	1	NA	NA	1	NA	NA	1	1	1	NA	NA	1	1	NA	1	NA	15	8	7	53%
46	Cllr W. Z Nqakwa	Member	1	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	15	13	2	86%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCIL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
.	na																					
47	Cllr. L. Mapala	Member	NA	NA	1	1	NA	1	1	1	1	1	NA	1	1	1	1	NA	15	11	4	73%
48	Cllr L Gwentshu	Member	NA	NA	1	NA	NA	NA	1	1	1	1	1	NA	1	1	A	1	15	8	7	53%
49	Cllr N Xolo	Member	1	NA	1	1	1	1	1	1	1	1	1	1	1	1	A	1	15	13	2	86%
50	Cllr T Ngxabi	Member	1	NA	1	NA	1	1	1	1	1	1	1	1	A	1	A	1	15	11	4	7%
51	Cllr B Sobhayi	Member	1	1	1	1	NA	1	1	1	A	1	1	A	1	1	1	1	15	12	3	80%
52	Cllr M.B. Jonase	Member	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	A	1	15	12	3	80%
53	Cllr N Mdingi	Member	1	1	1	1	NA	NA	1	1	1	1	1	1	1	1	1	1	15	13	2	86%

NO	MEMBERS OF COUNCILLOR	DESIGNATION	SPECIAL COUNCIL 10 JULY 2024	SPECIAL COUNCIL 19 JULY 2024	SPECIAL COUNCIL 26 JULY 2024	SPECIAL COUNCIL 29 AUGUST 2024	SPECIAL COUNCIL 03 SEPTEMBER 2024	SPECIAL COUNCIL 08 OCTOBER 2024	SPECIAL COUNCIL 21 OCTOBER 2024	SPECIAL COUNCIL 25 OCTOBER 2024	ORDINARY COUNCIL 30 OCTOBER 2024	SPECIAL COUNCIL MEETING 12	ORDINARY COUNCIL 23 JANUARY 2025	ORDINARY COUNCIL 27 FEBRUARY 2025	ORDINARY COUNCL 31 MARCH 2025	SPECIAL COUNCIL 09 APRIL 2025	ORDINARY COUNCIL 23 MAY 2025	SPECIAL COUNCIL 25 JUNE 2025	TOTAL NUMBER OF MEETINGS IN	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETING
54	Cllr M. Sonyabashe	Member	1	NA	1	1	NA	1	1	1	1	1	1	1	1	1	1	1	15	13	2	86%
55	Cllr S. Matheb e	Member	1	1	1	1	1	NA	NA	NA	NA	NA	1	NA	1	1	A	1	15	8	7	53%

MPAC

Members of MPAC	04 JULY 2024	22 AUGUST 2024	18 SEPTEMBER 2024	21 NOVEMBER 2024	21 FEBRUARY 2025	17 MARCH 2025	14 MAY 2025	TOTAL NUMBER OF
Cllr M Mataka	1	1	1	1	1	1	1	7
Cllr A Jakuja	1	1	1	NA	1	1	1	7
Cllr X Lungu	A	1	A	1	1	NA	1	7
Cllr N Hlanekela	1	1	1	1	A	1	NA	
Cllr A P Mkhonto	A	1	1	1	1	1	1	7
Cllr P K Thingathinga	1	1	1	1	1	1	1	7
Cllr B Mdingi	1	1	1	1	1	1	1	7
Cllr L Mapala	1	1	1	1	1	1	1	7
Cllr B Ngqasa	NA	NA	NA	NA	NA	NA	NA	7

Infrastructure and Planning Portfolio Committee 2024/2025

Members of committee	09 JULY 2024	15 AUGUST 2024	11 SEPTEMEBR 2024	16 OCTOBER 2024 DID NOT SIT	18 OCTOBER 2024	11 NOVEMBER 2024	12 FEBRUARY 2025 DID NOT SIT	13 FEBRUARY 2025	11 MARCH 2025	09 APRIL 2025	12 MAY 2025	TOTAL NO OF MEETINGS	TOTAL NO OF MEETINGS	TOTAL NO OF ME1ETINGS	PERCENTAGE OF MEETINGS
Cllr A. N. Gar ane	1	1	1	1	1	1	1	1	1	1	1	10	10	0	10 0%

Cllr N. Sonyabashi	NA	1	1	NA	1	-	-	-	-	-	-	10	3	5	60 %
Cllr N. Hlanekela	1	NA	1	1	1	1	NA	1	1	1	1	10	8	2	80 %
Cllr V. Gogela	1	1	1	NA	1	NA	NA	NA	1	1	1	10	6	4	60 %
Cllr W. Nqakwana	1	1	1	1	1	1	1	1	1	1	1	10	10	0	10 0%
Cllr GL. Noqhakala	1	NA	1	1	1	1	1	1	1	1	1	10	9	1	90 %
Cllr M. Tuku	1	A	NA	NA	NA	1	A	NA	1	NA	NA	10	3	7	30 %
Cllr. B. Sobhayi	NA	1	1	NA	1	1	1	1	1	1	1	10	8	2	80 %
Cllr P K Thingathinga	NA	1	1	1	1	1	1	1	1	1	1	10	9	1	90 %
Cllr B Ngqasa	NA	1	1	NA	NA	NA	NA	NA	NA	NA	NA	10	3	7	30 %

BTO

BTO Members of Standing committee	11 JULY 2024	16 AUGUST 2024	12 SEPTEMBER 2024	15 OCTOBER 2024	14 NOVEMBER 2024	11 FEBRUARY 2025	10 MARCH 2025	10 APRIL 2025	08 MAY 2025	TOTAL NUMBER OF	TOTAL NUMBER OF	TOTAL NUMBER OF MEETINS	PERCENTAGE OF MEETINGS
Cllr N. Nkula	1	1	1	1	1	1	1	1	1	9	9	0	100 %
Cllr M. Hlanekela	1	1	1	1	1	1	NA	1	NA	9	7	2	77 %
Cllr N. Nogada	1	1	1	1	1	1	1	1	1	9	9	0	100 %
Cllr M. Kiviet	1	1	1	1	NA	1	1	1	1	9	8	1	88 %
Cllr Z. Ngwaqa	1	1	1	1	1	1	1	1	1	9	9	0	100 %
Cllr B. Salukazana	1	1	1	1	1	1	1	1	1	9	9	0	100 %
Cllr D. Ndema	1	1	1	NA	1	NA	NA	1	1	9	6	3	66 %

SP&C

SP & Communications Members of Standing committee	10 JULY 2024	14 AUGUST 2024	10 SEPTEMBER 2024	09 OCTOBER 2024	12 NOVEMBER 2024	13 FEBRUARY 2025 DIT NOT SIT	14 FEBRUARY 2025	13 MARCH 2025 DID NOT SIT	13 MARCH 2025	08 APRIL 2025	09 MAY 2025	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF	PERCENTAGE OF MEETINGS ATTENDED

1. Cllr T. Sokhanyile	1	1	1	1	1	1	1	1	1	1	1	11	11	0	100 %
Cllr T. Ntsalaze	1	1	1	1	1	NA	1	1	NA	1	NA	11	8	3	72 %
Cllr A Jakuja	1	1	1	A	1	1	1	1	1	1	1	11	10	1	90 %
Cllr P. Magujulwa	1	1	1	1	1	1	1	1	1	A	1	11	10	1	90 %
Cllr S. Mathebe	1	-	-	NA	NA	NA	NA	NA	NA	1	1	11	2	9	18 %
Cllr N. Jwara	1	1	1	1	1	A	1	NA	1	1	1	11	9	2	81 %
Cllr. L. Gwentshu	A	NA	1	A	1	A	1	NA	NA	1	1	11	6	6	54 %
Cllr S. Faye	1	1	1	1	1	A	1	NA	1	1	A	11	9	2	81 %

Citizen and Community Services

Citizen and Community Services Members of Standing committee	09 JULY 2024	15 AUGUST 2024	11 SEPTEMBER 2024	OCTOBER 2024 DID NOT SIT	13 NOVEMBER 2024	12 FEBRUARY 2025	11 MARCH 2025	09 APRIL 2025	12 MAY 2025
Cllr N. Sonyabashi	-	-	-	-	1	1	1	1	1
Cllr F Ngonyolo	1	1	1	-	1	-	NA	NA	-
Cllr N.V. Nomnganga	1	1	1	1	1	1	1	1	1
Cllr L. Mveku	1	1	1	-	1	1	1	1	NA
Cllr N. Mantshongo	1	1	NA	-	1	1	1	1	1
Cllr M. Sonyabashe	1	1	1	-	1	1	1	1	1
Cllr N. Gogela	1	1	1	-	NA	1	1	NA	1
Cllr Z Mampemvini	1	NA	1	-	1	1	1	1	1
Cllr T Sincindi	1	1	1	-	1	1	NA	1	NA
Cllr N. Nomnganga	-	-	-	-	-	-	-	-	1

Corporate Services Portfolio Committee Members of committee	11 JULY 2024	16 AUGUST 2024	12 SEPTEMBER 2024	15 OCTOBER 2024	21 OCTOBER 2024 (SPECIAL)	14 NOVEMBER 204	10 DECEMBER 2024 (SPECIAL)	12 FEBRUARY 2025	11 MARCH 2025	10 APRIL 2025	08 MAY 2025	TOATAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETINGS ATTENDED
Cllr I. Nodali	1	A	1	1	1	1	1	1	1	1	1	11	10	1	90%
Cllr T. Ngxabi	NA	A	A	NA	1	1	1	1	1	1	1	11	7	4	63%
Cllr F Sontsi	1	1	1	1	1	1	1	1	1	1	1	11	11	0	100 %
Cllr N. Xolo	1	A	1	1	1	1	1	1	1	1	1	11	10	1	90%
Cllr M. Kakaza	1	1	NA	A	1	1	1	1	1	1	1	11	9	2	81%
Cllr M. Jonase	1	A	1	1	1	1	NA	1	1	1	1	11	9	2	81%
Cllr N. V. Giwu	1	1	1	1	1	1	NA	1	1	1	1	11	10	1	90%
Cllr C. N. Mnyayiza	1	1	1	1	1	1	1	1	A	1	1	11	10	1	90%
Cllr N B Mdingi	1	1	1	1	1	NA	1	1	1	1	1	11	10	1	90%
Cllr N Ntshobane	NA	1	NA	NA	NA	NA	1	NA	NA	NA	1	11	3	8	27%

Local Economic Development Members of Standing committee	10 JULY 2024	14 AUGUST 2024	10 SEPTEMBER	09 OCTOBER 2024	11 NOVEMBER 2024	13 FEBRUARY 2025	17 MARCH 2025	08 APRIL 2025	09 MAY 2025	TOTAL NUMBER OF	TOTAL NUMBER OF	TOTAL NUMBER OF	PERCENTAGE OF
Cllr X. Jona	1	1	1	1	1	1	1	1	1	9	9	0	100 %
Cllr A.P Mkhonto	NA	1	1	1	1	1	1	1	1	9	8	1	88%
Cllr L. Mapala	NA	NA	1	1	1	1	1	1	1	9	7	2	99%
Cllr C. Madyibi	NA	NA	NA	NA	NA	A	NA	NA	NA	9	0	9	0%
Cllr M Magobane	1	1	1	1	1	1	1	1	1	9	9	0	100 %
Cllr H Ngqasa	1	1	NA	NA	NA	NA	1	NA	NA	9	3	6	33%
Cllr F. Ntwakumba	1	1	NA	NA	1	1	NA	A	NA	9	3	6	33%
Cllr X Lungu	1	1	1	1	1	1	1	1	1	9	9	0	100 %

Member of LLF	05 JULY 2024	07 AUGUST 2024	05 SEPTEMBER	SPECIAL 13	04 OCTOBER 2024	07 OCTOBER 2024	13 NOVEMBER	20 FEBRUARY 2025	07 MARCH 2025	07 APRIL 2025	07 MAY 2025	TOTAL NUMBER	TOTAL NUMBER	TOTAL NUMBER	PERCENTAGE OF
Cllr I Nodali	1	1	1	1	A	1	1	1	1	1	1	11	9	1	90 %
Cllr N Xolo	1	NA	NA	1	-	1	1	1	1	1	NA	11	7	3	70 %
Cllr N Mantshongo	NA	NA	1	NA	-	NA	1	NA	1	NA	NA	11	3	7	30 %

OCCUPATIONAL HEALTH AND SAFETY

Member of OHS committee	03 JULY 2024	06 AUGUST 2024	03 SEPTEMBER 2024	03 OCTOBER 2024	07 OCTOBER 2024	05 NOVEMBER 2025	06 FEBRUARY 2025	05 MARCH 2025	03 APRIL 2025	07 MAY 2025	TOTAL NUMBER OF	TOTAL NUMBER OF	TOTAL NUMBER OF	PERCENTAGE OF
Cllr C N Mnyayiza	1	1	1	1	1	1	1	1	1	1	10	9	0	100 %
Cllr B Ngqasa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	10	0	9	0%
Cllr P Magujulwa	1	1	NA	NA	NA	1	A	NA	NA	NA	10	3	6	33 %

PETITIONS COMMITTEE

Member of committee	10 SEPTEMBER 2024	04 OCTOBER 2024	27 JANUARY 2025	TOTAL NUMBER OF MEETINGS	TOTAL NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF MEETINGS ABSENT	PERCENTAGE OF MEETINGS ATTENDED
Cllr N G Mdzinwa	1	1	1	2	2	0	100%
Cllr T. Sokhanyile	NA	1	1	1	1	1	50%
Cllr A.N Garane	1	1	1	2	2	0	100%

EMPLOYMENT EQUITY AND TRAINING COMMITTEE

Member of committee	21 AUGUST 2024	06 NOVEMBER 2024 DID NOT SIT	17 FEBRUARY 2025	06 MARCH 2025 DID NOT SIT	04 APRIL 2025	TOTAL NUMBER OF MEETING	TOTAL NUMBER OF MEETINGS ATTENDED	TOTAL NUMBER OF OF MEETINGS ABSENT	PERCENTAGE OF MEETINGS ATTENDED
Cllr N. Nomnganga	-	-	-	-	-	5	0	5	0%
Cllr A Jakuja	NA	NA	A	1	1	5	2	3	66%
Cllr N Giwu	1	NA	1	NA	NA	5	2	3	66%

Component I: Annual Performance Report

DEPARTMENTS PERFORMANCE SCORECARD

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of community halls constructed	Community Hall Constructed - Ntutha CH, Gugwini CH, Sipilini CH and Lower Cabazana CH	Number	Stand-Alone	Basic Service Delivery and Infrastructure	5	5	4	4	Construction & Completion of four Community Halls by end June 2025.	4 x community halls have been completed	N/A	4	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of constructed & completed housing units	Construction of Human Settlement projects (Cabazana A 50 Units; Cabazana B 45 Units; Nqalweni/Matyeni 45 Units; Nkungwini 10 Units & Xhameni 15 Units) {Multi-year Project}	Number	Stand-Alone	Basic Service Delivery and Infrastructure	188	188	165	198	Construction & completion of 165 housing units by June 2025	Cabazana A: 69 Housing Units were completed; Cabazana B: 70 Housing Units were completed; Nqalweni/Matyeni; 46 Housing Units were completed: Xhameni: 13 Housing Units were completed; Nkungwini:6 Housing Units reached roof level but none were completed. Both Xhameni and Nkungwini Housing Projects encountered payment delays from Human Settlements that affected site progress and also delays in inspection of various	A meeting was held with the department of Human Settlement regarding the payment delays. Human Settlement promised to speed up their payment processes to the Municipality and they have also committed to request one inspector to be added inorder to keep up with inspection schedules.	**198**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												Milestone by NBRC inspectors however the department has promissed to cater and have schedule to assist NHBRC inspectors.Cabazana A and B projects were already running and have more capacity as they are bigger Contractors than the others further more a close monitoring on the projects with assistance by Human settlements has lead us to over achieving on the projects.			

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of constructed & completed housing units for vulnerable groups	houses for vulnerable group	Number	Stand-Alone	Basic Service Delivery and Infrastructure	4	4	4	4	Construction & completion of 4 housing units for vulnerable groups by June 2025	[TL003] Senior Manager: Infrastructure and Planning: 4 x vulnerable group houses have been completed. (June 2025)	N/A	**4**	Achieved
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Percentage of potholes reported and resealed in both KwaBhaca & EmaXesibeni	Surfaced municipal road lanes maintenance	Percent	Stand-Alone	Basic Service Delivery and Infrastructure	100.00 %	100%	100.00 %	100.00 %	Reporting & resealing of all potholes in both KwaBhaca & EmaXesibeni by end June 2025	[TL004] Senior Manager: Infrastructure and Planning: Pothole patching & resealing was done 100% both in KwaBhaca and EmaXesibeni. 2 000 bags of cold mix asphalt were purchased and delivered both Emaxesibeni and Kwabhaca town. The Vala Zonke pothole programme was	N/A	**100.00 %**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												launched. Potholes are being attended to as and when are being identified. (June 2025)			
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of resurfaced kilometres of municipal road lanes	Surfaced municipal road lanes maintenance 3,2Km's Phase 8 (Multi-Year Project)	Number	Stand-Alone	Basic Service Delivery and Infrastructure	Base level and stormwater	3 milestones	1,9	1,92	Resealing and resurfacing of 1,9 kilometres municipal roads lanes by end June 2025 (Phase 8)	[TL005] Senior Manager: Infrastructure and Planning: Site establishment has been done, surfacing 1.92 km has been completed, the contractor will complete the works in the	N/A	**1,92**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												next financial year. Multi-year project. (June 2025)			

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of kilometres of unsurfaced road network built	Road Construction - 7,27km's - Mpungulelweni AR 3,07kms and Tholeni AR 4.2 km's	Number	Stand-Alone	Basic Service Delivery and Infrastructure	7.4	7.4	7,27km's	7,3km's	Completion of 7,27km access roads construction	Mpungulelweni Project is practically comple however upon construction it was noted that the length of the road connot go beyond 2,9kms due to the fact that extra 107metres will require blasting of a rock which could not be undertaken given the budgeted amount for the project. Furthermore the project was planned to have one low level crossing, however the community requested two low level crossings to be constructed	In Mpungulelweni Project: The entire community is happy with the length of the road as it covers the entire needs of the community. In the Bill of Quantities only 2,9Kms was billed for.	**7,3kms**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												which put further strain on the budget for the project.done and Tholeni Project is practically complete, 4.4 km's done:extra 200metres was due to a community request as a plough back			

Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of kilometres of unsurfaced road network maintained	116,4kms Access Roads maintenance - Sikolweni AR 3 km's , Mvakomzi AR 6,2 km's, Mnqwane AR 5km's , Nyathini bridge and AR 5.3 km's , Lusuthu AR 5km's , Nxhashini AR 5.7 km's , Magontsini AR 6.2 km's , Lutateni AR 6.5 km's , Ntenetyana to Godola AR 11.6 km's, Ncunteni AR 5 km's , Velem via Mthonjeni - Gamakhulu AR 9.5 km's, Mnxekazi AR 12.2 km's , Mbodleni, bhibha via cabazi AR 10.5 km's, Ngojini via Ngxonga AR Maint 3.6 km's, SDA Magwaca AR	Number	Stand-Alone	Basic Service Delivery and Infrastructure	141.60	141.60	116.4	64,2kms	Installation of storm water pipes & completion of 116,4kms of access roads maintenance	64,2 Kilometres of unsurfaced road network maintained & completed as follows: Mnxekazi AR Maintenance Project is complete. 12.2 km's done. The road required more areas that required maintenance in which the contractor did do with negotiated items in the Bill Of Quantities. KwaNyathi to Mnambithi AR 1,8km's completed Mqwane AR Maint - 5 km's completed Lutateni AR Maintanance: Project is completed - 7km's done; The additional 500m was requested by the community as plough back in	Incomplete unsurfaced road network maintenance projects are as follows: Sikolweni AR: The contractor will complete the project in the 2025/26 FY in the first month. Ngxashini AR: The project will be completed in the four months of the 2024/2025 financial year. Ntenetyana to Godolo AR Maintenance:. The outstanding works will be completed in 5 months in the 2025/2026 financial year. Velem via Mthonjeni AR There is a budget set	**64,2kms**	R

			Maint 9km's, Zimbileni via Mtwana AR 5,3 km's, Kwanyathi to Mnambithi AR 1.8km's, Nqalweni AR 5km's									which the agreed. Mnxekazi AR Maint - 12,2 km's completed Lusuthu AR Maint - 5 km's completed Magontsini AR Maint - Project is completed - 6,4kms, the additional 200m was requested by the community as plough back in which the agreed. Mvakomzi AR- Planned km's is 6.2 km and actual is 5.8 km due to the challenge that the planned 400 m was not constructed because there is a portion that had underground water in the virgin road that needed rockfill that therefore the Quantities were utilised in that portion.	aside for 2025/26 FY, for the completion of the outstanding works will be completed in end of October 2025. Zimbileni via Mtwana AR Maintenance: There is a budget set aside for 2025/26 FY, for the completion of the outstanding works will be completed in end of December 2025. SDA Magwaca AR Maintenance: Notice of default was issued to the service provider for poor progress on site and to expedite the		

													Ngojini via Ngxonga AR Maint - 3,6 km's completed Ncunteni AR Maint - 5,2 km's completed Mvakomzi AR Maintenance: Planned km's is 6.2 km and actual is 5.8 km due to the challenge that the planned 400 m was not constructed because there is a portion that had underground water in the virgin road that needed rockfill that therefore the quantities were utilised in that portion. Incomplete unsurfaced road network maintenance projects are as follows: Sikolweni AR: progress has been very slow	progress on site. The project will be completed in September 2025 after the new financial year. Failing which the contract will be terminated. Nyathini AR and Bridge Maintenance: There is a budget set aside for 2025/26 FY for the completion of the outstanding works, this work will be done over four months into the new financial year. Nqalweni AR Maintenance: Notice of default was issued to the service provider for poor progress on site and		

												on site. Project under construction; Site Establishment, Site Clearance completed with Mass Earthworks, Concrete works & Snags still under construction), overall, the workmanship of the contractor is not satisfactory. The recent flash floods exacerbated the situation by scouring most of the wearing material and the tipping and processing had to be done afresh. Currently the contractor is completing tipping of the roadway, overall, the workmanship of the contractor is not satisfactory. The community disagreement on the issues	also to expedite the progress on site. A budget was set aside for 2025/26 FY, to complete the project four months after the new financial year.		

														relating to the project also impacted on the project delays. The community disagreement on the issues relating to the project also impacted on the project delays. The contractor had to redo the work. Bridge Project under construction, under construction, Site Establishment, Site Clearance completed and - Mass Earthworks, Concrete works and Snags are all under construction. Ngxashini AR: The project has been awarded; Handover has been done. Contractor is busy with site establishment. The project had experienced delays in the			

													awarding of the service provider due to the objection that was received the project was re-advertised. The project was advertised and closed on the 18th of July 2024 and was only awarded in May 2025. Ntenetyana to Godolo AR Maintenance project is under construction; Site Establishment, clear and grubbing, roadbed preparation, drainage and tipping completed with processing, snags & De-Establishment still to be completed. Due to limited servitude that is found on the rural area as there are graves and erosion the			

												contractor had to be change the drainage positions. Preference was given to grant funded projects and this project was subsequently appointed for in May 2025.Velem via Mthonjeni AR The project is under construction; site establishment, clear and grubbing, roadbed preparation, drainage and tipping completed with processing, snags, de-establishment still due for completion; the project had to be re-advertised due to the date of the site inspection for this particular project, there was a protest			

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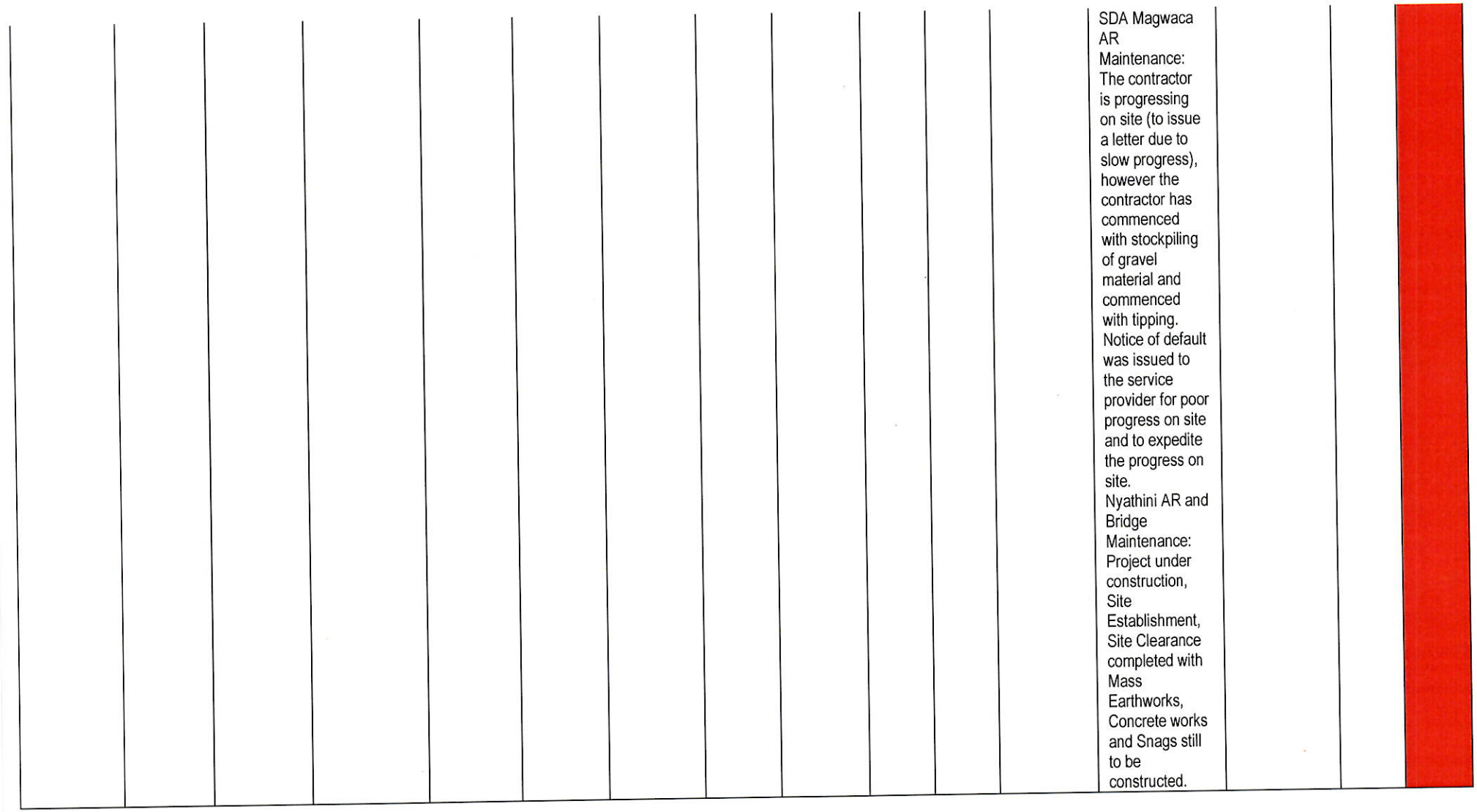
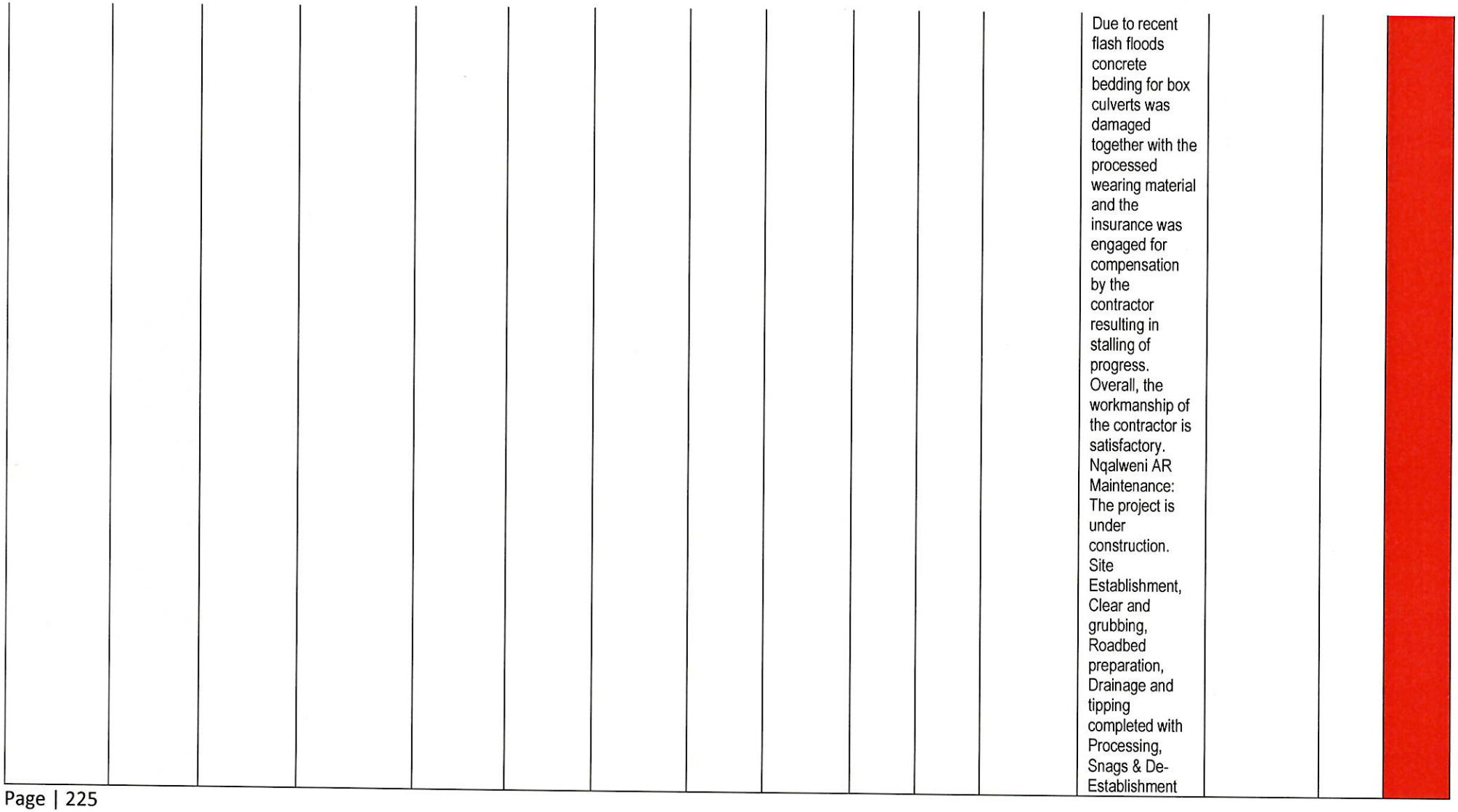
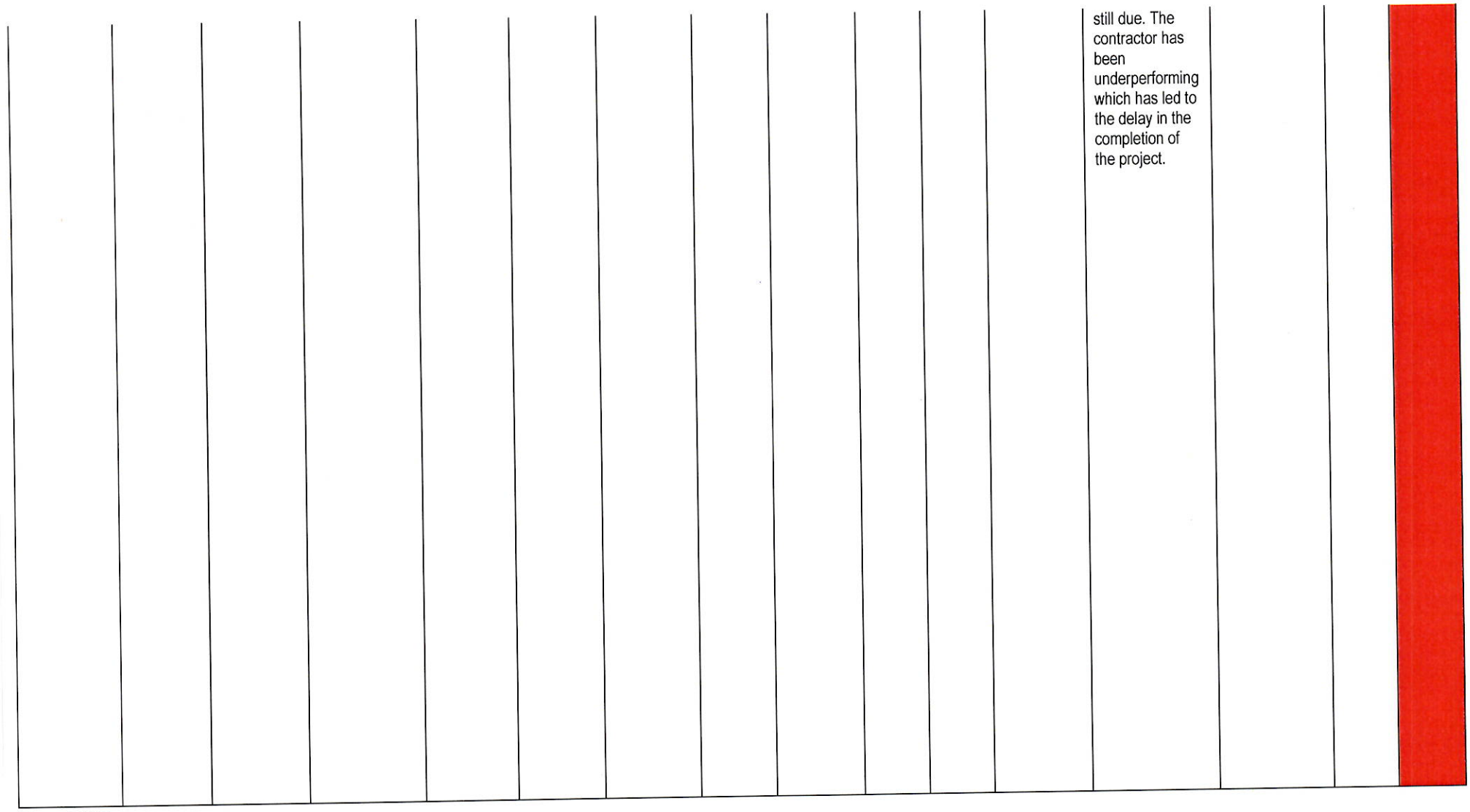
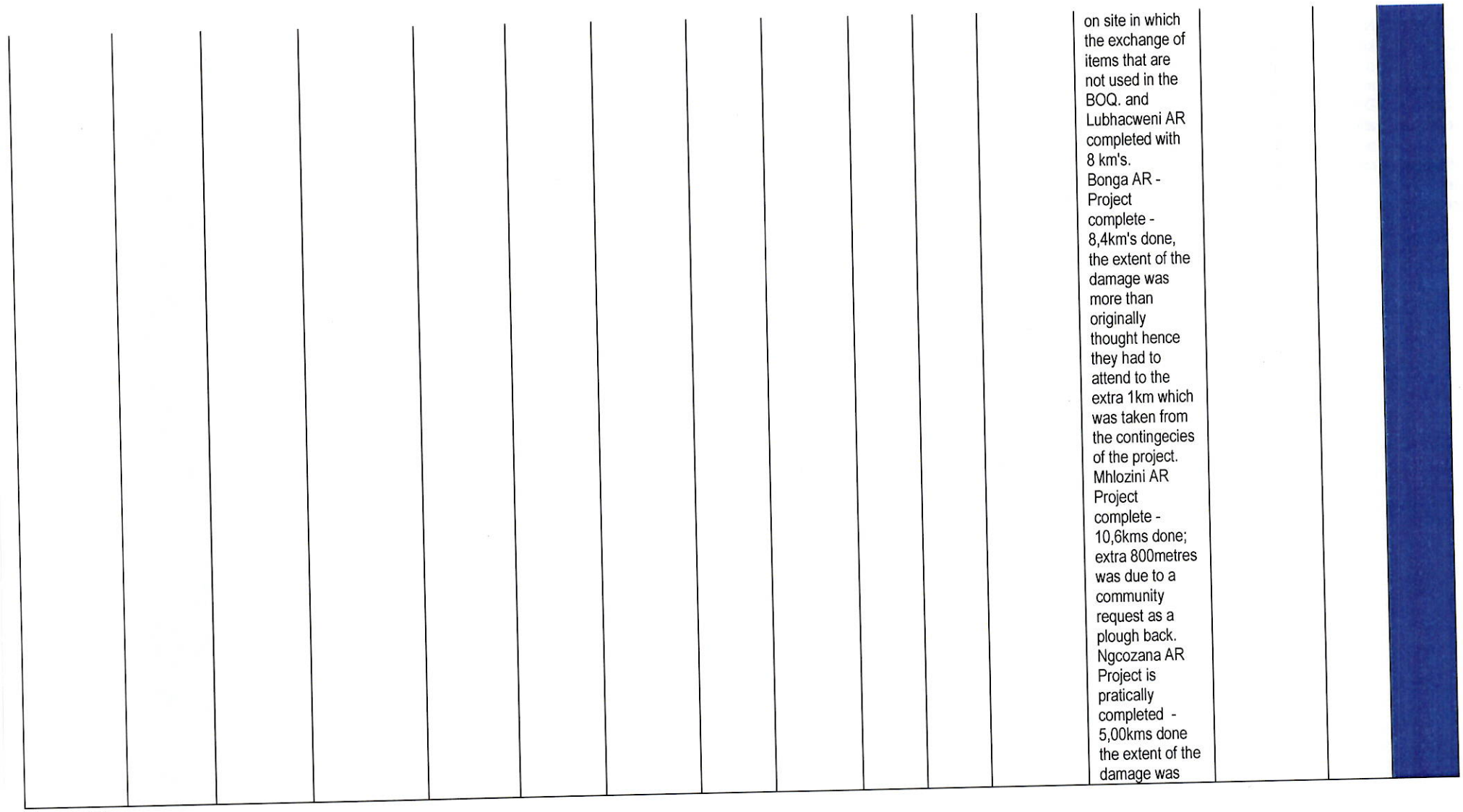
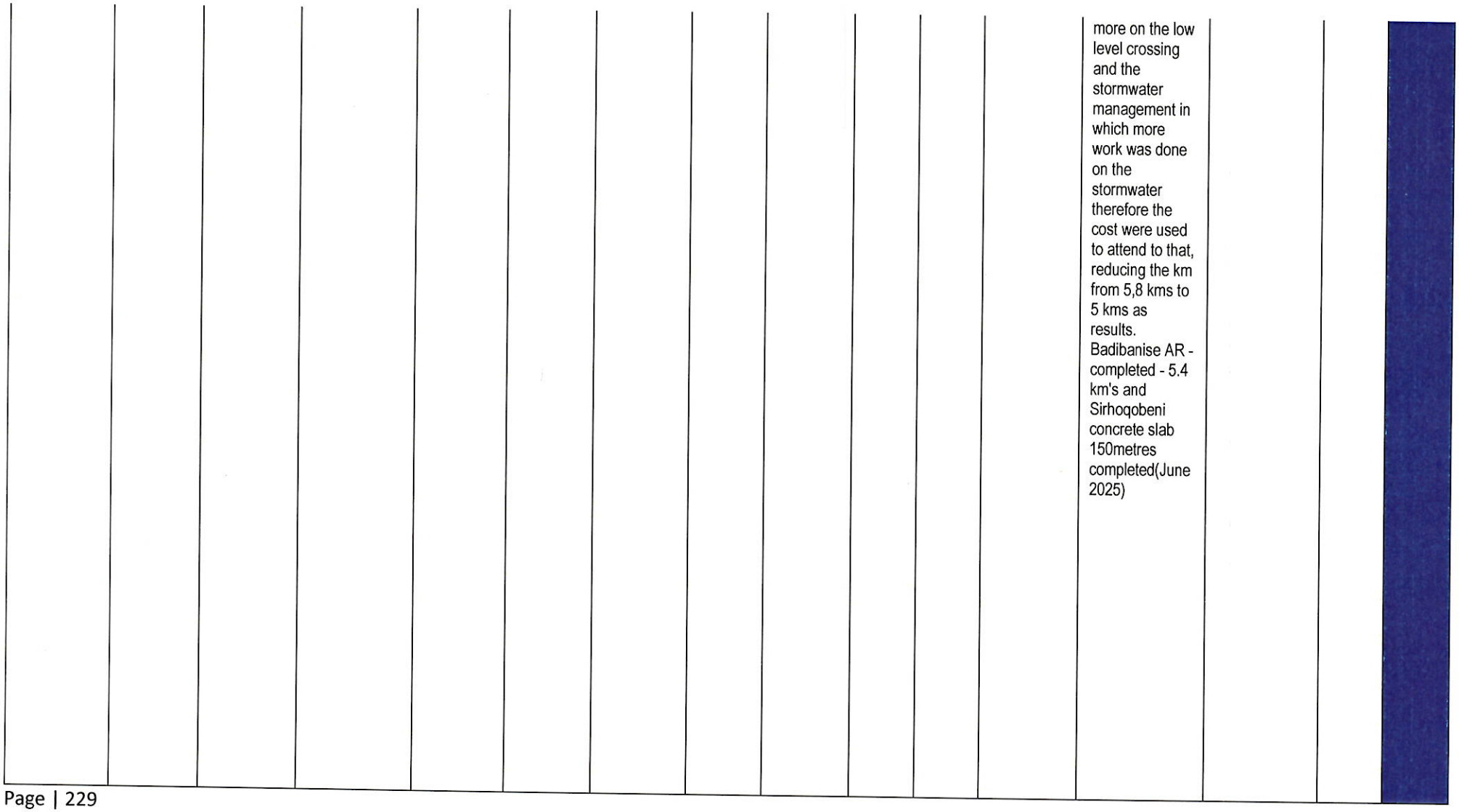

SDA Magwaca AR Maintenance: The contractor is progressing on site (to issue a letter due to slow progress), however the contractor has commenced with stockpiling of gravel material and commenced with tipping. Notice of default was issued to the service provider for poor progress on site and to expedite the progress on site.
Nyathini AR and Bridge Maintenance: Project under construction, Site Establishment, Site Clearance completed with Mass Earthworks, Concrete works and Snags still to be constructed.


Due to recent flash floods concrete bedding for box culverts was damaged together with the processed wearing material and the insurance was engaged for compensation by the contractor resulting in stalling of progress. Overall, the workmanship of the contractor is satisfactory.
Nqalweni AR Maintenance: The project is under construction. Site Establishment, Clear and grubbing, Roadbed preparation, Drainage and tipping completed with Processing, Snags & De-Establishment


still due. The contractor has been underperforming which has led to the delay in the completion of the project.

Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of kilometers of maintained Disaster affected access roads	Disaster Projects 48,4 km's - Lubhacweni AR, Bonga AR, Mhlozini AR, Ngcozana AR, Badibanise AR, Sibhozweni AR, Gxaku AR & Lovu AR and Sirhoqobeni AR concrete slab	Number	Stand-Alone	Basic Service Delivery and Infrastructure	80		48,4	51,15	Completion of 48,4Kms of maintained disaster affected access roads by end June 2025	[D1149] Manager: PMU: Lovu AR 2,8kms Maintenance project is complete; Gxaku AR - Planned km 's was 7.5 km and actual is 7.2 km because the 300 m falls on the area that will affect individual properties in which the community was informed the issue was concluded to be left as a results;Planned km 's was 7.5 km and actual is 7.2 km because the 300 m falls on the different ward due to demarcation , Sibhozweni AR Maintenence project is complete -3,6 kms done in terms of the request from the community in small area that were identified	N/A	**51,15**	Achieved


on site in which the exchange of items that are not used in the BOQ. and Lubhacweni AR completed with 8 km's.
Bonga AR - Project complete - 8,4km's done, the extent of the damage was more than originally thought hence they had to attend to the extra 1km which was taken from the contingecies of the project.
Mhlozini AR Project complete - 10,6kms done; extra 800metres was due to a community request as a plough back.
Ngcozana AR Project is pratically completed - 5,00kms done the extent of the damage was


more on the low level crossing and the stormwater management in which more work was done on the stormwater therefore the cost were used to attend to that, reducing the km from 5,8 kms to 5 kms as results. Badibanise AR - completed - 5.4 km's and Sirhoqobeni concrete slab 150metres completed(June 2025)

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of households with installed electricity infrastructure	Installation of electricity infrastructure in 1002 households - Bhubesini 21 h/h, Mtshikawuze 100/h/h, Ntelezini 149 h/h, Rode 68 h/h, Santombe 135 h/h, Sixhotyeni 115 h/h, Kumhlokwana 37 h/h, Emadameni 82 h/h, Langeni 50 h/h and Mpondomise 245h/h	Number	Stand-Alone	Basic Service Delivery and Infrastructure	414	414	1002	1002	Installation of electricity infrastructure (Poles, Strings, Transformers & Meter boxes)for 1002 Households by end of June 2025	Electrification projects have been completed, awaiting the energisation by Eskom. Installation of electrification infrastructure have been completed for the following projects: Bhubesini, Mtshikawuze, Ntelezini, Rode, Santombe, Sixhotyeni, Kumhlokowana, Emadameni, Langeni & Mpondomise	N/A	**1002**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of milestones conducted towards the installation Maduna-Majojweni and Bhubesini linklines	Installation of Manduna-Majojweni 7Km Linkline and Bhubesini 3km Linkline	Number	Stand-Alone	Basic Service Delivery and Infrastructure	0	N/A	1	0	Milestones conducted towards the Installation of 7kilometre Maduni - Majojweni Linkline & Bhubesini 3km Linkline by end June 2025 Milestone 1: Sites Establishment	Bhubesini Linkline - Project appointed for and handed over. The contractor for the construction of this of this project was appointed towards the end of the financial year (27th June 2025) as this project was to be implemented through an additional INEP allocation gazetted in March 2025 but unfortunately not all aspects of the site establishment milestone could be met due to the limited time the contactor had between his appointment and financial	Bhubesini: The project is multi-year project, the milestones was not achieved will be completed by end July 2025. The entire project will be completed in 30 September 2026	0	Not Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												year end. Maduna-Majojweni Linkline: site establishment completed			
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of reconstructed Disaster affected bridges	Reconstruction of bridges - Mqhokweni and Tyinirha bridges	Number	Stand-Alone	Basic Service Delivery and Infrastructure	70	N/A	2	2	Reconstruction of Disaster Affected Bridges by end June 2025	Mqhokweni and Tyinirha bridges have both been reconstructed	N/A	2	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Budget & Treasury Office	To provide access to improved, sustainable and modernized infrastructure to the community	Number of indigent beneficiaries subsidised with solar & electricity	Provision of free basic services.	Number	Last Value	Basic Service Delivery and Infrastructure	3 574	1528	2 142	2 512	2142 Indigent Beneficiaries to be subsidised as follows : 50KWH from Eskom= 711 & For Solar =1431 by the end june 2025	FBS electricity Target = 711 Actual =1126 , the target has been achieved as planned,2.Solar subsidy Target = 1431 , Actual = 1386 with 545 batteries installed and 92 Charge controllers installed; the target has not been achieved.Solar subsidy: reason being some of the indigents were eliminated by CAATs verification (Those deceased & above municipal indigent threshold)	To register new beneficiaries for solar subsidy.	**2 512**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Corporate Services	To develop and enhance knowledge for future career pathing	Number of Wards with installed Free Wi-Fi	Internet of Things - 4th Industrial Revolution – Free Wi-Fi for one ward installed (2023/2024FY Project)	Number	Stand-Alone	Basic Service Delivery and Infrastructure	1	0	1	1	Installation of Wi-Fi in one Ward from 2023/2024FY by end June 2025	Saphukanduku Free Wifi was INstalled in November 2024	N/A	**1**	Achieved
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Percentage of qualifying households assisted in disaster affected areas	Emergency Social relief	Percent	Stand-Alone	Basic Service Delivery and Infrastructure	100.00 %	100%	100.00 %	100.00 %	100% Qualifying households assisted in disaster affected areas by June 2025	Attended to all the reported disaster incidents accordingly.	N/A	**100.00 %**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Number of households & Businesses provided with refuse solid waste collection services	Domestic waste Collection	Number	Stand-Alone	Basic Service Delivery and Infrastructure	649	649	649	711	649 households & Businesses provided with solid waste collection services by end June 2025	711 households & Businesses provided with solid waste collection services.There were new subdivisions that needed to be serviced with waste management hence the increase in the household numbers	N/A	**711**	Achieved
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Number of milestones conducted towards the construction Chithwa Recreational Parks Phase Two	Construction of Chithwa Recreational Park phase 2	Number	Stand-Alone	Basic Service Delivery and Infrastructure	1	0	1	1	Milestones conducted towards the construction of Chithwa Recreational Park Phase 2 by end June 2025	Chithwa recreational park phase 2 Site Establishment has been done	N/A	**1**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Number of constructed & completed shooting ranges	KwaBhaca Shooting Range construction	Number	Stand-Alone	Basic Service Delivery and Infrastructure	2	2 milestones	1	1	Construction completion of KwaBhaca Shooting Range Phase One by end June 2025	KwaBhaca Shooting Range Phase Phase One constructed & completed	N/A	1	Achieved
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Number of upgraded KwaBhaca Animal Pound Facilities	Upgrading of KwaBhaca Pound	Number	Stand-Alone	Basic Service Delivery and Infrastructure	1	N/A	1	1	Upgrading of KwaBhaca Animal Pound Facility Phase 2 by end June 2025	KwaBhaca Animal Pound Phase Two constructed & completed	N/A	1	Achieved
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the	Number of upgraded EmaXesibeni Animal Pound Facilities Phases	Upgrading of EmaXesibeni Pound Phase One	Number	Stand-Alone	Basic Service Delivery and Infrastructure	1	N/A	1	1	Upgrading of EmaXesibeni Animal Pound Facility Phase One by end June 2025	EmaXesibeni Animal Pound Facility Phase One upgraded.	N/A	1	Achieved

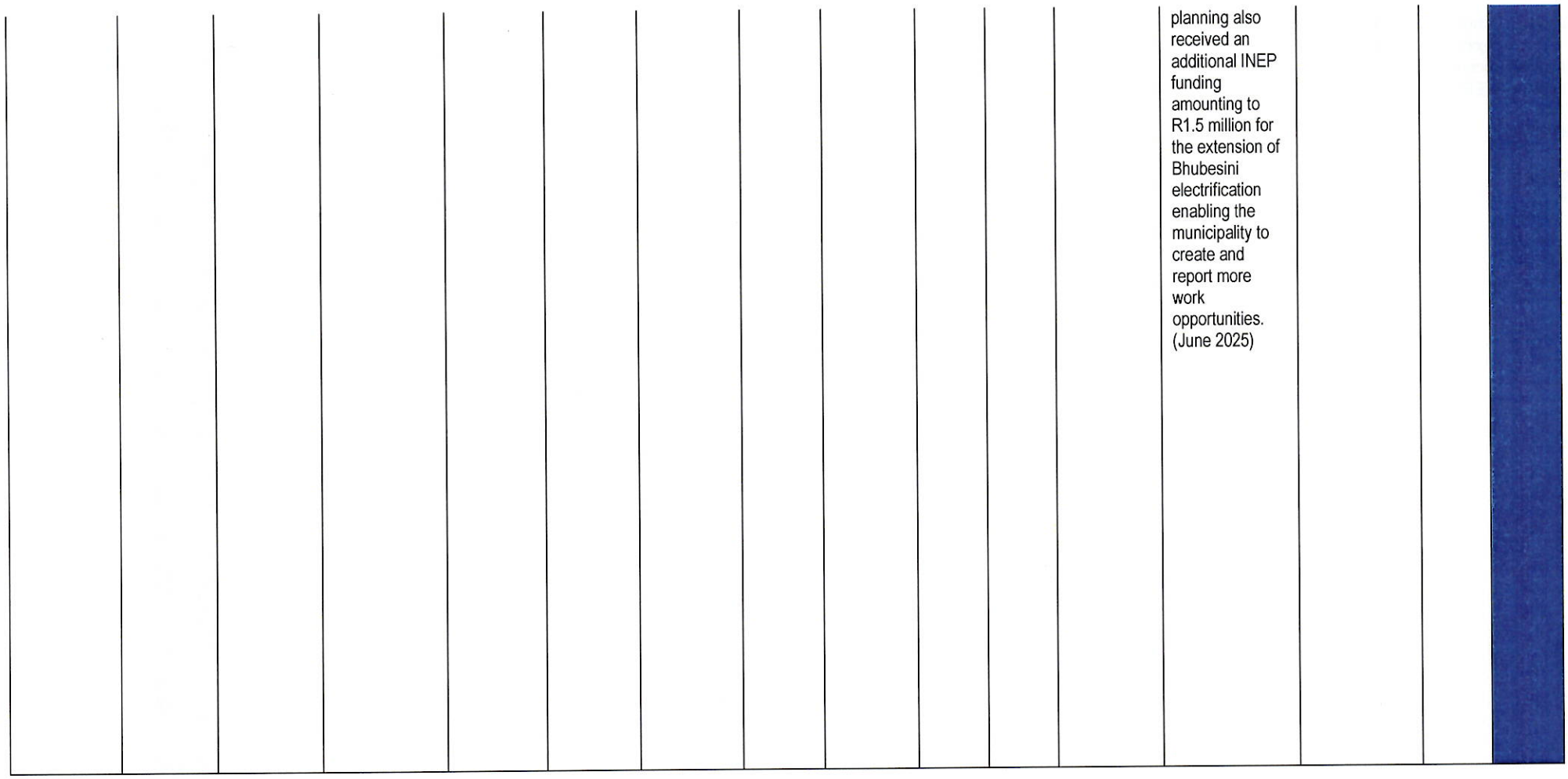
Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
	community														
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Number of milestones conducted towards the construction of KwaBhaca transport pound phase 1	Construction of KwaBhaca public transport pound phase 1.	Number	Accumulative	Basic Service Delivery and Infrastructure	1	0	1	1	Milestones conducted towards the construction of one KwaBhaca public transport pound phase 1 by end June 2025 Milestone 1: Site Establishment Milestone Two: Foundation and erection of steel structure	Site Establishment, Foundation and Erection of steel structure milestones completed for KwaBhaca Public Transport Pound Phase One.	N/A	1	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Number of fenced Botanical Gardens	Fencing of eMaxesibeni Botanical Gardens	Number	Stand-Alone	Basic Service Delivery and Infrastructure	1	N/A	1	1	Fencing of eMaxesibeni Botanical Gardens by end June 2025	Fencing of EmaXesibeni Botanical Gardens completed	N/A	**1**	Achieved
Citizens & Community Services	To provide access to improved, sustainable and modernized infrastructure to the community	Number of catchment areas benefitting from Waste management and Climate Change Programme	Implementation of Waste Management & Climate Change Programme (Clearing of Alien Invasive Species in Nkwecweni; Ngcweleni; Nompakane; Cancele; Phakade to Phuka; Capoti Wetlands & Capoti River) (Multi-year Project)	Number	Stand-Alone	Basic Service Delivery and Infrastructure	0	N/A	5	5	Five Catchment Areas benefitting from Waste Management & Climate Change Programme (Clearing of Alien Invasive Species in Nkwecweni; Ngcweleni; Nompakane; Cancele; Phakade to Phuka; Capoti	Nkweceni, Ngcweleni, Nompukane, Cancele, Phakade to Phuka & Capoti Wetlands and river Catchment Areas benefitted from Waste Management & Climate Change Programme	N/A	**5**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
											Wetlands & Capoti River) by end June 2025.				

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Local Economic Development	To create a conducive environment for economic growth and job opportunities	Number of milestones conducted towards the construction of Lugangeni Custom Feedlot storage facilities	Umzimvubu Custom Feedlot and Nguni Improvement Support Programme (Multi-year Programme)	Number	Stand-Alone	Basic Service Delivery and Infrastructure	2	0	3	3	Milestones conducted towards construction of Lugangeni Custom Feedlot Storage Facility by end June 2025 Milestone One: Site establishment Milestone Two: Construction of foundation Milestone Three: Construction of superstructure	The site establishment, foundation, superstructure, roofing, plumbing and drainage and external works are done completed at 100%. The project construction snags are at 60% .The contractor is currently attending the internal finishes. The overall project progress is at 90% construction as per the project milestones..	N/A	3	Achieved

Special Programmes and Communications	To create a conducive environment for participatory development	Number of jobs created on EPWP	EPWP Jobs Created	Number	Accumulative	Local Economic Development	450	619	450	705	Recruitment of 450 EPWP beneficiaries by end June 2025	[TL021] Senior Manager: Special Programmes and Communication: Target achieved:The variance is due to the challenges experienced in the previous financial year with reporting of work opportunities created under Infrastructure sector. Following an engagement with Infrastructure department and the department of Public Works , the reporting mechanisms improved significantly, resulting in the number of work opportunities reported exceeding the targeted number.Infrastructure and	[TL021] Senior Manager: Special Programmes and Communication: N/A (June 2025)	**705**	Achieved


planning also received an additional INEP funding amounting to R1.5 million for the extension of Bhubesini electrification enabling the municipality to create and report more work opportunities. (June 2025)

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Special Programmes and Communications	To create a conducive environment for participatory development	Number of EPWP reports submitted for compliance with EPWP grant conditions	EPWP reports submitted in compliance with grant allocated	Number	Accumulative	Local Economic Development	12	100.00%	12	12	Monthly reports to be submitted to DPW	[TL022] Senior Manager: Special Programmes and Communication: Target achieved (June 2025)	[TL022] Senior Manager: Special Programmes and Communication: N/A (June 2025)	**12**	Achieved
Corporate Services	To develop and enhance knowledge for future career pathing	Number of students allocated with bursaries for scarce skills	Scarce skills bursary	Number	Stand-Alone	Local Economic Development	10	10	5	6	Students allocated with bursary for scarce skills by end June 2025	Full payment for five (5) external bursary holders as planned .A sixth bursary holder was added and was partially paid for.	N/A	**6**	Achieved
Corporate Services	To develop and enhance knowledge for future career pathing	Number of Career Exhibitions co-ordinated for Grade12 Learners	Career Pathing	Number	Stand-Alone	Local Economic Development	1	N/A	1	1	Career Exhibition to grade 12 leaners within Umzimvubu municipal jurisdiction by the end June 2025	Achieved: One Career Expo held from 11-13March 2025	N/A	**1**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Local Economic Development	To create a conducive environment for economic growth and job opportunities	Number of hectares planted with yellow maize	Crop Production Improvement Programme-Grain and Vegetables	Number	Stand-Alone	Local Economic Development	375	375	375	375	375ha planted with yellow maize by end June 2025	The ploughing programme has been implemeted on 375has of land. The production Inputs were delivered to all 375has of yellow maize fields. The number of 375has fields were ploughed and the aknowlegdments for both supply for production Inputs and Conduct Mechanization were receive signed by the beneficiares.	N/A	**375**	Achieved
Local Economic Development	To create a conducive environment for economic growth and job	Number of projects supplied with rainwater harvesting equipment	Supply of rain-water harvesting equipment to Three Projects(Peach, aloe and Phuti Projects)	Number	Stand-Alone	Local Economic Development	3	3	3	3	Supply of rainwater harvesting equipment to Three Projects by end June 2025	The Rain water harvest has been implemented at ward 01,04 and 08 (Peach Value addidtion , Aole Value Addition	N/A	**3**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
	opportunities											and Phuti business Hub). The project has been cpmleted.			
Local Economic Development	To create a conducive environment for economic growth and job opportunities	Number of Donga rehabilitation projects completed	Donga Rehabilitation	Number	Stand-Alone	Local Economic Development	3	3	3	3	Rehabilitation of Dongas in 3 Wards by end June 2025	The project has been implemented on 3 sites, thus ward 6, 16 &27. The project has been completed and is at 100%. The project competion certicates and aknowledgment were also signed in confirmation of the implementation of the programme.	N/A	3	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Local Economic Development	To create a conducive environment for economic growth and job opportunities	Number of SMME's enrolled under Mentorship Programme	Sector Specific Incubation Programmes: Fashion Design,Chefs/ Culinary and Farmers	Number	Accumulative	Local Economic Development	30	30	30	30	SMME's enrolled under Mentorship Programme by end June 2025	The number of 30 SMMs were enrolled for LED mentorships programmes. The programmes cover or include the 4 Culinary , 6 Designer mentroship and 20 farmer mentroship.	N/A	**30**	Achieved
Local Economic Development	Economic and sectoral development (job creation, employment, LED Projects, tourism, Agriculture, rural development)	Number of constructed Crash Pen Phases	Construction of auction crash pen (paving abluition facility)	Number	Stand-Alone	Local Economic Development	0	N/A	1	1	Construction of Action Crash Pan Phase Two by end June 2025	The site has been established. The construction of septic tank and the tiolet main structure, spetic tanks and internal and external finishes has been completed.	N/A	**1**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Local Economic Development	Economic and sectoral development (job creation, employment, LED Projects, tourism, Agriculture, rural development)	Number of milestones conducted towards the construction of Ntenetyana Dam Campsite	Ntenetyana Camp-Site Establishment (Multi-year Project)	Number	Accumulative	Local Economic Development	0	0	2	2	Establishment of Ntenetyana Dam Camp Site by end June 2025 Milestone One: Site Establishment & debushing Milestone Two: Installation of concrete chairs & construction of braai area	The constructor has completed the following project milestones and all are at 100%, site establishment, site clearance, foundation and construction of braai areas, installation of concrete bins, installation of concrete Bins and installation of rest seats. The roofing is currently under construction and is at 50%. The installation of umbrellas is currently place and is at 50% installation.	N/A	2	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Budget & Treasury Office	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Number of BTO statutory reports and plans developed	Mid-year reporting (S72 Report);Budget Approval;Reporting	Number	Accumulative	Financial Management & Viability	5	5	5	7	Development of 5 BTO statutory reports and plans by end June 2025	Seven BTO Statutory reports & plans were tabled before ULM Council. 2023/2024FY AFS submitted to AG; 2024/2025FY S72 Report submitted to legislative bodies; 2024/2025FY Nine months Interim Statements 2024/2025FYBudget Adjusted; 2025/2026 FY Budget tabled before ULM Council and approved; Subsequent to the gazetting of the DORA in March, The 2024/2025FY Budget was re-adjusted to accommodate	N/A	7	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												the additional R1 500 000 INEP Allocation and there was a Second Re-adjustment Budget to accomodate the R3 432 000 from DEDEAT. (June 2025)			

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Budget & Treasury Office	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Percentage of Creditors paid within 30 days of receipt of a valid invoice	Payment of creditors	Percentage	Stand-Alone	Financial Management & Viability	100.00 %	100.00%	100.00 %	100.00 %	100% Creditors paid within 30 days of receipt of a valid invoice	All creditors with valid invoices were paid within 30 days in the 2024/2025 financial year.	N/A	**100.00 %**	Achieved
Budget & Treasury Office	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Revenue amount collected	Debt Collection	South African Rands	Accumulative	Financial Management & Viability	R44 000 000.00	R50 331 302,26	R45 999 999.00	R544 985 142.00	Amount of revenue collected from consumer debtors & VAT refunds by 30 June 2025	Target has been achieved.In May 2025, Revenue Office resorted on having reconciliation sessions with Government departments regarding outstanding debt, the sessions were productive as a result the Municipality received an	N/A	**R54 498 5142.00**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												amount of R19 838 053 from Department of Provincial Public Works			
Budget & Treasury Office	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Liquidity Ratio	Cash/Cost coverage ratio	Ratio	Accumulative	Financial Management & Viability	03:01	1.93:1	03:01	03:01	To maintain a three months liquidity ratio in line with Treasury Norm by end June 2025	The municipality's Cash Coverage is sitting at three months	N/A	03:01	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Budget & Treasury Office	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Percentage reduction of repeat audit findings	Audit improvement	Percentage	Stand-Alone	Financial Management & Viability	100%	100.00%	100.00 %	100.00 %	100% Reduction of Repeat Audit Findings by end June 2025	There no repaet auidt findings in the 2023/2024 audit cycle	N/A	**100.00 %**	Achieved
Budget & Treasury Office	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Percentage expenditure of all Conditional Grants in line with Risk Adjusted Strategy Imperatives	Risk Adjusted Strategy Imperatives Implementation	Percentage	Accumulative	Financial Management & Viability	100.00 %	100.00%	100.00 %	100.00 %	100% expenditure of all Conditional Grants in line with Risk Adjusted Strategy Imperatives by end June 2025	All conditional grants have been fully spent.	N/A	**100.00 %**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Budget & Treasury Office	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Audit Opinion	Improvement in audit opinion expressed on financial statement by Auditor general	Number	Stand-Alone	Financial Management & Viability	0	1	1	1	Unqualified Audit with no matters of emphasis opinion by 30 June 2025	The municipality obtained an Unqualified Audit Opinion with no matters of emphasis for the 2023/2024 financial year.	N/A	1	Achieved
Corporate Services	To build and strengthen the administrative and institutional capability of the municipality	Number of Strategic Planning Sessions Coordinated	Strategic Planning Sessions coordinated	Number	Accumulative	Municipal Transformation and Organizational Development	4	4	4	4	Four Strategic Planning sessions coordinated by 30 June 2025 broken down as follows:1 - Departmental Strategic Planning Sessions coordinated 1 - Exco Strat Plan	Achieved: One Departmental Strategic Planning Session coordinated in November 2024; One Exco Strategic Planninf Sessions conordinated in January 2025; One Council Strategic Planning Session	N/A	4	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
											Coordinated 2 - Council Strat Plans coordinated	coordinated in January and One Council Strategic Planning Session held in May 2025.			
Special Programmes and Communications	To create a conducive environment for participatory development	Number of EXCO Outreach Programmes conducted	EXCO Outreach Programmes	Number	Accumulative	Good Governance & Public Participation	2	2	2	2	EXCO IDP Roadshow	[TL039] Senior Manager: Special Programmes and Communication: Target achieved (June 2025)	[TL039] Senior Manager: Special Programmes and Communication: N/A (June 2025)	**2**	Achieved
Special Programmes and Communications	To create a conducive environment for participatory	Percentage of Presdential Hotline Complaints responded to	Presidential Hotline Complaints	Percentage	Accumulative	Good Governance & Public Participation	100%	100.00%	100.00 %	100%	100% complaints responded to by the end june 2025	[TL040] Senior Manager: Special Programmes and Communication: Target achieved (June 2025)	[TL040] Senior Manager: Special Programmes and Communicatio	**100%**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
	development												n: N/A (June 2025)		
Special Programmes and Communications	To create a conducive environment for participatory development	Number of Communication Action Plan reviewed	Communication Action Plan Review	Number	Accumulative	Good Governance & Public Participation	1	1	1	1	Coordinate an Annual Communication Plan Review by the end of June 2025	[TL041] Senior Manager: Special Programmes and Communication: Target achieved (June 2025)	[TL041] Senior Manager: Special Programmes and Communication: N/A (June 2025)	1	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Office of the Municipal Manager	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Number of strategic and operational plans developed and approved	IDP Adoption & SDBIP Approval	Number	Accumulative	Good Governance & Public Participation	2	3	3	5	Development of one strategic plan (IDP) and two operational plans (SDBIPs) by end June 2025	[TL042] Municipal Manager: 2024/2025FYSDBIP Adjusted; 2025/2026 FY IDP Reviewed and 2024/2025FY Adjusted SDBIP has been approved by the Mayor, advertised & uploaded into the municipality's website. A Technical Indicator Descriptions Template has been shared internally to be populated as for as per the dynamics of each individual indicator on the Top Layer of the Adjusted SDBIP.	[TL042] Municipal Manager: N/A (June 2025)	**5**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												Subsequent to the gazetting of the DORA in March, The SDBIP was re-adjusted to accommodate the additional R1 500 000 INEP Allocation and there was a Second Re-adjustment SDBIP to accomodate the R3 432 000 from DEDEAT. (June 2025)			

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Office of the Municipal Manager	To develop and maintain a financial viable and sustainable institution that achieves full compliance with legislation	Number of compliance reports consolidated	Annual Reporting; Oversight Report & SDBIP Performance Reporting	Number	Accumulative	Good Governance & Public Participation	8	8	8	8	Consolidation of eight compliance reports by end June 2025	[TL043] Municipal Manager: All Statutory Reports consolidated and submitted to ULM Council. (June 2025)	[TL043] Municipal Manager: N/A (June 2025)	**8**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Percentage of sites surveyed	Three-year Contract for Land survey services	Percentage	Stand-Alone	Spatial Planning & Development	1.00%	100%	100.00 %	100.00 %	100% of sites surveyed and Planned by end June 2025	[TL044] Senior Manager: Infrastructure and Planning:100% of sites surveyed in KwaBhaca as follows: Three Subdivision and Rezoning of the Remainder of Erf 351 KwaBhaca (Mount Frere commonage) Applications submitted by Likamva Geomatics as part of their three year contact for land survey services: • The first is the Subdivision and Rezoning of the Remainder of Erf 351 KwaBhaca into 1 portion (1.81	N/A	**100.00 %**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												Hectares) to be transferred to the EC Department of Public Works and Infrastructure, as part of the land exchange for the Bus and Taxi Rank. • The second is the Subdivision and Rezoning of the Remainder of Erf 351 KwaBhaca into 31 portions for the proposed light industrial park. • The third is the Subdivision and Rezoning of the Remainder of Erf 351 KwaBhaca into 2 portions, to be donated to the Mount Frere Senior Citizens Association and			

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
												the Masiphekisane Womens Club. (June 2025)			

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of constructed & completed EmaXesibeni Multi-purpose Centre Phases	Completion of EmaXesibeni Multipurpose Phase 6	Number	Stand-Alone	Basic Service Delivery and Infrastructure	5	N/A	1	1	Construction completion of EmaXesibeni Multipurpose Phase 6 by end June 2025	[TL045] Senior Manager: Infrastructure and Planning: The multi - purpose centre phase 6 project has been completed. (June 2025)	N/A	1	Achieved
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of milestones conducted towards the construction & completion of Municipal Offices Phase Two	Construction of Municipal Offices Phase 2 (Multi-year Project)	Number	Stand-Alone	Basic Service Delivery and Infrastructure	1	0	1	1	Milestones conducted towards the construction & completion of Municipal Offices Phase Two by end June 2025: Milestone One: completion of Registering Authority structure	[TL046] Manager: Building and Housing: Achieved (June 2025) [D1141] Manager: Building and Housing: The projectis a multi-year project. Registering authority has been done (June 2025)	[TL046] Manager: Building and Housing: n/a (June 2025)	1	Achieved

Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number milestones conducted towards the construction of Bhakaleni to Sekileni access road & bridge and Mt White Access Road	Construction of Bhakaleni to Sekileni via Mqoma access road (8Kms) & bridge and Mt White access road (Multi-Year Projects)	Number	Stand-Alone	Basic Service Delivery and Infrastructure	2	3 milestones	1	0	Milestones conducted towards the construction of Bhakaleni to Sekileni via Mqoma Access Road & Bridge and Mt White Access Road by end June 2025 Milestone 1: Site Establishment	[TL047] Manager: PMU: Bhakaleni to Sekileni via Mqoma Project is under construction: Site establishment, Setting out, clear and grub, Mass earthwoks and Stormwater management all completed. Traffic accommodation, Heavy Roadbed and Layer works underway. Mt White Project: The project has been awarded, Handover has been done. There service provider had to meet contractual obligations before site establishment could be 100% completed which then meant that the site establishment milestone could not be entirely	[TL047] Manager: PMU: Mt White:The project is multi-year project, the milestones was not achieved and will be completed by end July 2025. The project will be completed in August 2026. (June 2025)	**0**	Not Achieved

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Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of kilometres of unsurfaced road network maintained from 2023/2024FY	Completion of Dungu ARM (5,3km) and Gubhuzi ARM(5km)	Number	Stand-Alone	Basic Service Delivery and Infrastructure	38,8	N/A	10,3Kms	10,3kms	Completion of 10,3Km access roads maintenance from 2023/2024FY by end June 2025.	[TL047] Senior Manager: Infrastructure and Planning: Dungu AR is complete. Ghubuzi AR is complete (June 2025)		**10,3kms**	Achieved
Local Economic Development	Economic and sectoral development (job creation, employment, LED Projects, tourism, Agriculture, rural development)	Number of beneficiaries supported with electric shearers	Procurement of equipment of shears	Number	Stand-Alone	Local Economic Development	28	N/A	28	28	Beneficiaries supported with 28 Electric Shearers by 30th June 2025.	[D031] Manager: LED: The 28 electric sheep shears were supply and delivered on the 24 February 2025. (June 2025) [TL031] Senior Manager: LED: Achieved (June 2025)	[D031] Manager: LED: N/A (June 2025) [TL031] Senior Manager: LED: N/A (June 2025)	**28**	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Local Economic Development	Economic and sectoral development (job creation, employment, LED Projects, tourism, Agriculture, rural development)	Number of milestones reached towards the construction of the Hiking Trails camping site and ablution facilities	Ntsizwa Tourism Development site and Support Program (Multi-year Project)	Number	Accumulative	Local Economic Development	0	0	3	3	Milestones reached towards the construction of Hiking Trails camping site and ablution facilities by end June 2025. Milestone 1 Site establishment Milestone 2: Installation of septic tank Milestone 3: Trench excavation for fencing	The contractor has completed the site establishment, site clearance, mass earthwork and installation of septic tank (Ablusion facility). The constructor is currently doing the trench excavation for fencing and the overall progress is at 50%. The construction company is currently constructing the guard rooms.	N/A	3	Achieved

Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Budget & Treasury Office	To provide access to improved, sustainable and modernized infrastructure to the community	Number of indigent beneficiaries subsidised with paraffin from 2023/2024FY	Provision of free basic services.	Number	Last Value	Basic Service Delivery and Infrastructure	3 574	N/A	1 450	1751	1450 Indigent Beneficiaries from 2023/2024FY to be subsidised with Paraffin by the end June 2025	The target has been achieved, and the POE has been submitted , the reason for variance between target and actual is that there were additional indigent households that were not electrified & that resulted in the increase from 1450 to 1751 beneficiaries subsidized with paraffin.	N/A	**1751**	Achieved

Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of milestones conducted towards the construction of rural housing units	Construction of Human Settlements Projects (Cancele 30; Nguse 123; Dundee 34 Units & Qadu 160)	Number	Accumulative	Basic Service Delivery and Infrastructure	186	0	2	0	Milestones conducted towards the construction of Human Settlements Projects by end June 2025 Milestone 1: NHBRC Enrolment Milestone 2: Site Establishment	[D1140] Senior Manager: Infrastructure and Planning: Nguse, Dundee and Qadu - NHBRC enrolment approval was received, and projects have already started with the construction. Cancele housing - still awaiting the NHBRC enrolment approval. (June 2025)	Engagements with Human Settlement are done on a weekly basis. A meeting was held in East London with all the Municipalities and the appointed Contractors whereby NHBRC was giving a project status on projects that are still on NHBRC enrolment for construction commencement in 2025/2026 financial year.Engagements with Human Settlement are done on a weekly basis. NHBRC has organized a capacitation workshop for service providers that	**0**	Not Achieved

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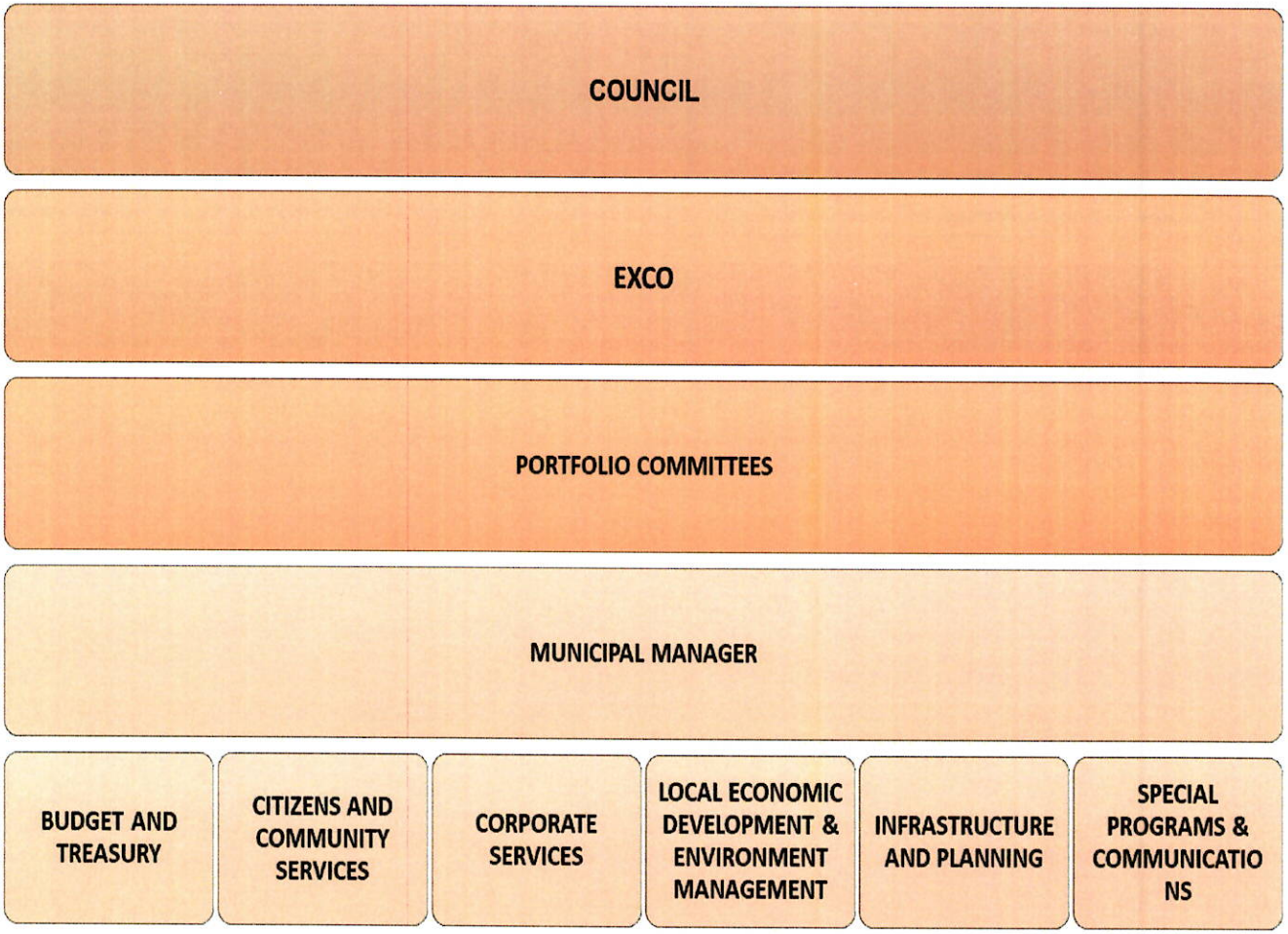
Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of installed highmasts	Installation of 9 KwaBhaca Highmasts	Number	Stand-Alone	Basic Service Delivery and Infrastructure	3	N/A	9	9	Installation completion of 9 Highmasts by end June 2025	9 highmasts have been installed	N/A	**9**	Achieved
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of installed Emaxesibeni streetlights	Installation of 30 EmaXesibeni Streetlights	Number	Stand-Alone	Basic Service Delivery and Infrastructure	20	N/A	30	30	Installation of 30 Emaxesibeni streetlights by end June 2025.	30 EmaXesibeni Streetlights have been installed	N/A	**30**	Achieved
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the	Number of repaired Sport facilities	Repairs of Sirhoqobeni Sportfield	Number	Stand-Alone	Basic Service Delivery and Infrastructure	1	2	1	1	Repairs completion of Sirhoqobeni Cluster Sport Facility	[D1147] Manager: PMU: Sirhoqobeni cluster sport facility repairs done (June 2025)	N/A	**1**	Achieved

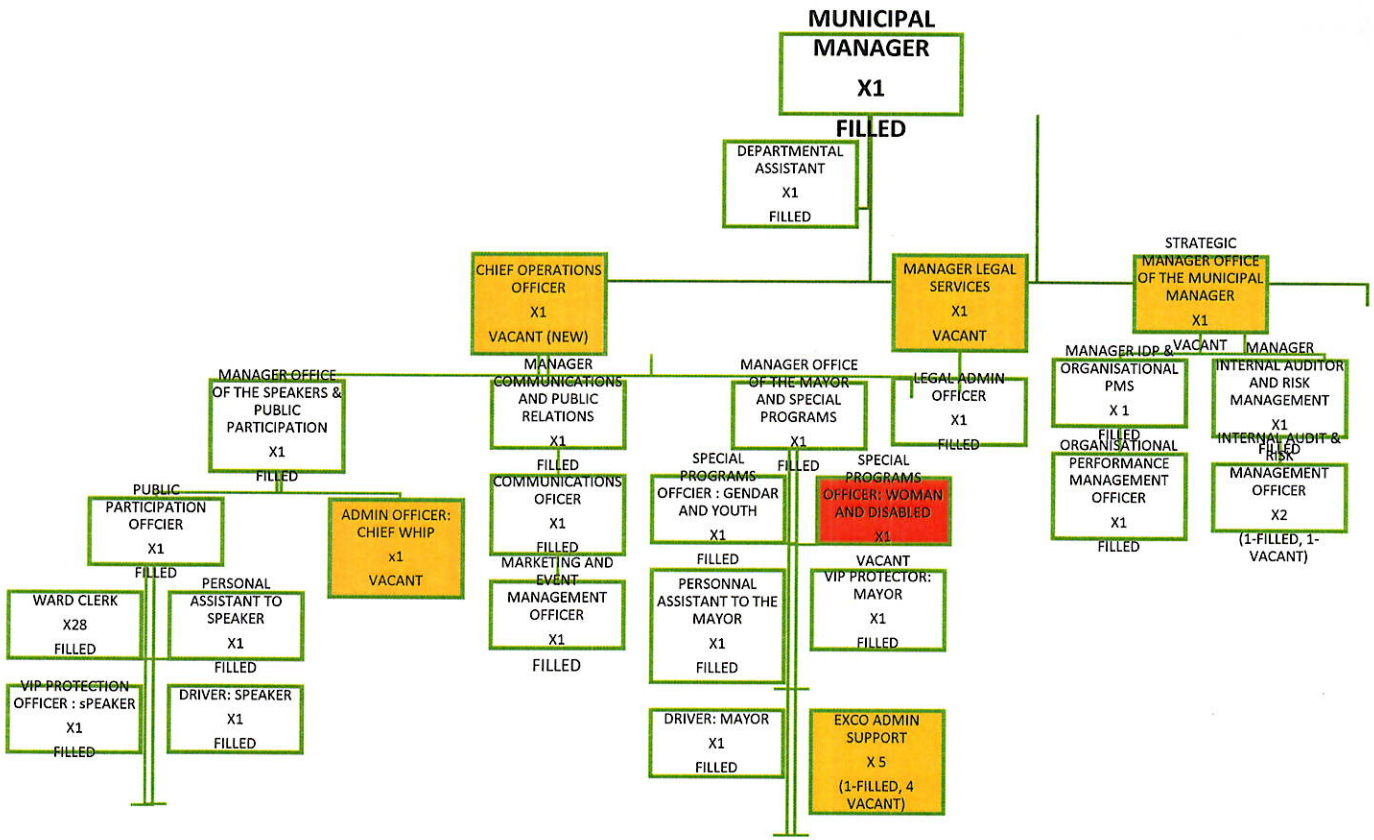
Directorate	Strategic Objective	KPI Name	Project Name	Description of Unit of Measurement	Calculation Type	National KPA	Baseline	2023/2024FY Actual	Revised Annual Target	YTD Actual	Quarter ending September 2024 - Quarter ending June 2025				
											Target Description	Performance Comment	Corrective Measures	YTD Actual	Rating
	community														
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of milestones reached towards paving of EmaXesibeni Hall parking	Paving of EmaXesibeni Hall parking (Multi-year Project	Number	Stand-Alone	Basic Service Delivery and Infrastructure	0	N/A	1	1	Milestone One: Clear & Grub and levelling using exported material and kerbing	[D1148] Manager: PMU: levelling of Emaxesibeni hall parking has been done (June 2025)	N/A	1	Achieved
Infrastructure & Planning	To provide access to improved, sustainable and modernized infrastructure to the community	Number of maintained disaster affected bridges	Maintenance of Cwebeni Disaster affected bridge	Number	Stand-Alone	Basic Service Delivery and Infrastructure	2	2	1	1	Maintenance completion Cwebeni disaster affected bridge	[D1148] Manager: PMU: Chwebeni bridge disasater affected project has been completed (June 2025)	N/A	1	Achieved

ORGANOGRAM

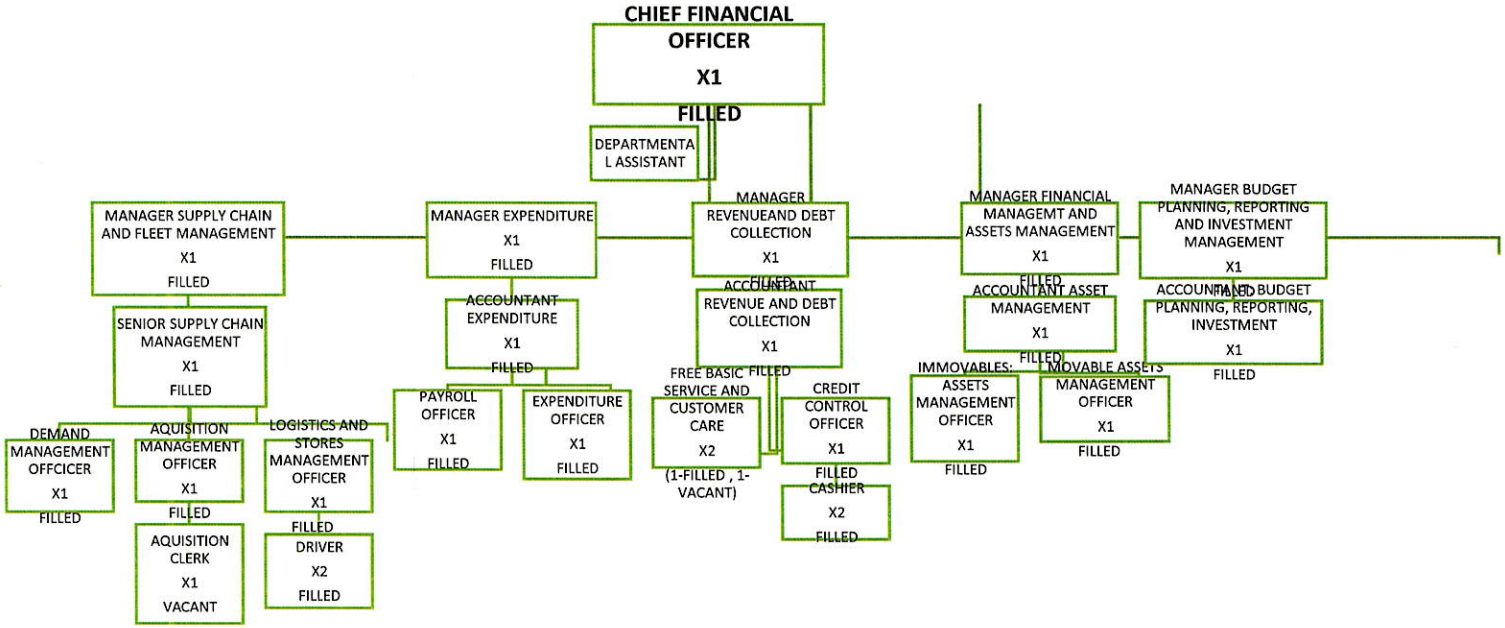
2022/2023-2025/2026


COUNCIL
EXCO
PORTFOLIO COMMITTEES
MUNICIPAL MANAGER
BUDGET AND TREASURY
CITIZENS AND COMMUNITY SERVICES
CORPORATE SERVICES
LOCAL ECONOMIC DEVELOPMENT & ENVIRONMENT MANAGEMENT
INFRASTRUCTURE AND PLANNING
SPECIAL PROGRAMS & COMMUNICATIONS

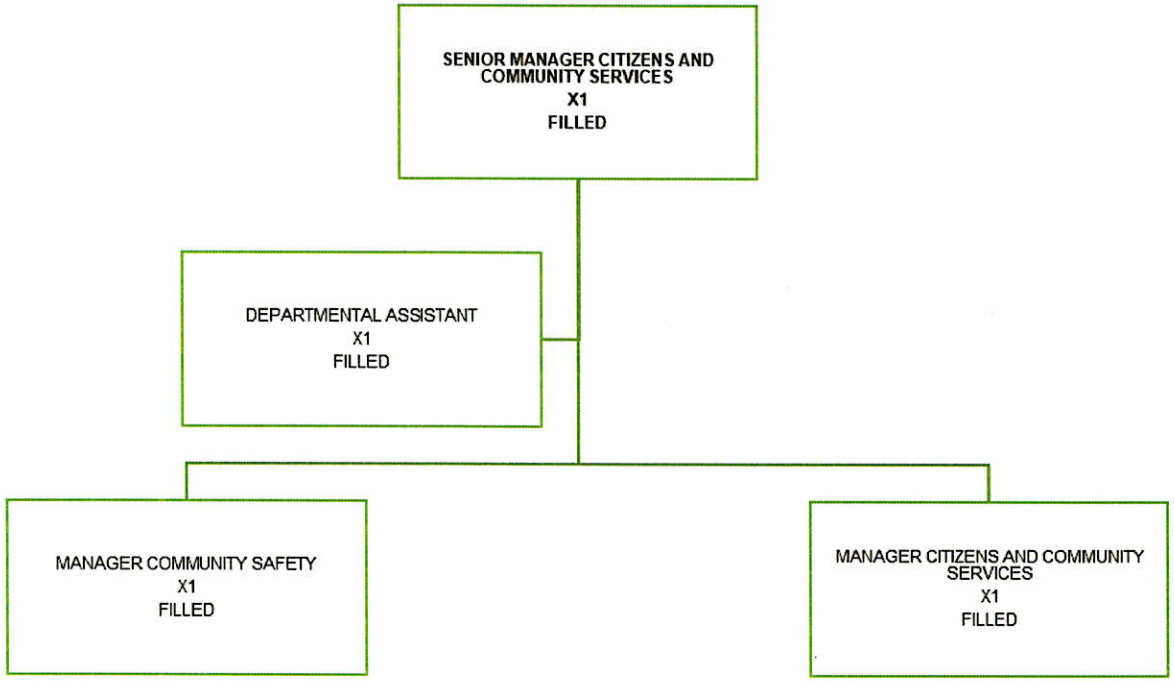
MUNICIPAL MANAGER OFFICE


MUNICIPAL MANAGER
X1
FILLED
DEPARTMENTAL ASSISTANT
X1
FILLED
CHIEF OPERATIONS OFFICER
X1
VACANT (NEW)
MANAGER LEGAL SERVICES
X1
VACANT
STRATEGIC MANAGER OFFICE OF THE MUNICIPAL MANAGER
X1
VACANT
MANAGER OFFICE OF THE SPEAKERS & PUBLIC PARTICIPATION
X1
FILLED
PUBLIC PARTICIPATION OFFCIER
X1
FILLED
ADMIN OFFICER: CHIEF WHIP
x1
VACANT
WARD CLERK
X28
FILLED
PERSONAL ASSISTANT TO SPEAKER
X1
FILLED
VIP PROTECTION OFFICER : sPEAKER
X1
FILLED
DRIVER: SPEAKER
X1
FILLED
MANAGER COMMUNICATIONS AND PUBLIC RELATIONS
X1
FILLED
COMMUNICATIONS OFICER
X1
FILLED
MARKETING AND EVENT MANAGEMENT OFFICER
X1
FILLED
MANAGER OFFICE OF THE MAYOR AND SPECIAL PROGRAMS
X1
FILLED
SPECIAL PROGRAMS OFFCIER : GENDAR AND YOUTH
X1
FILLED
PERSONNAL ASSISTANT TO THE MAYOR
X1
FILLED
DRIVER: MAYOR
X1
FILLED
SPECIAL PROGRAMS OFFICER: WOMAN AND DISABLED
X1
VACANT
VIP PROTECTOR: MAYOR
X1
FILLED
EXCO ADMIN SUPPORT
X 5
(1-FILLED, 4 VACANT)
LEGAL ADMIN OFFICER
X1
FILLED
MANAGER IDP & ORGANISATIONAL PMS
X 1
FILLED
ORGANISATIONAL PERFORMANCE MANAGEMENT OFFICER
X1
FILLED
MANAGER INTERNAL AUDITOR AND RISK MANAGEMENT
X1
FILLED
INTERNAL AUDIT & RISK MANAGEMENT OFFICER
X2
(1-FILLED, 1-VACANT)

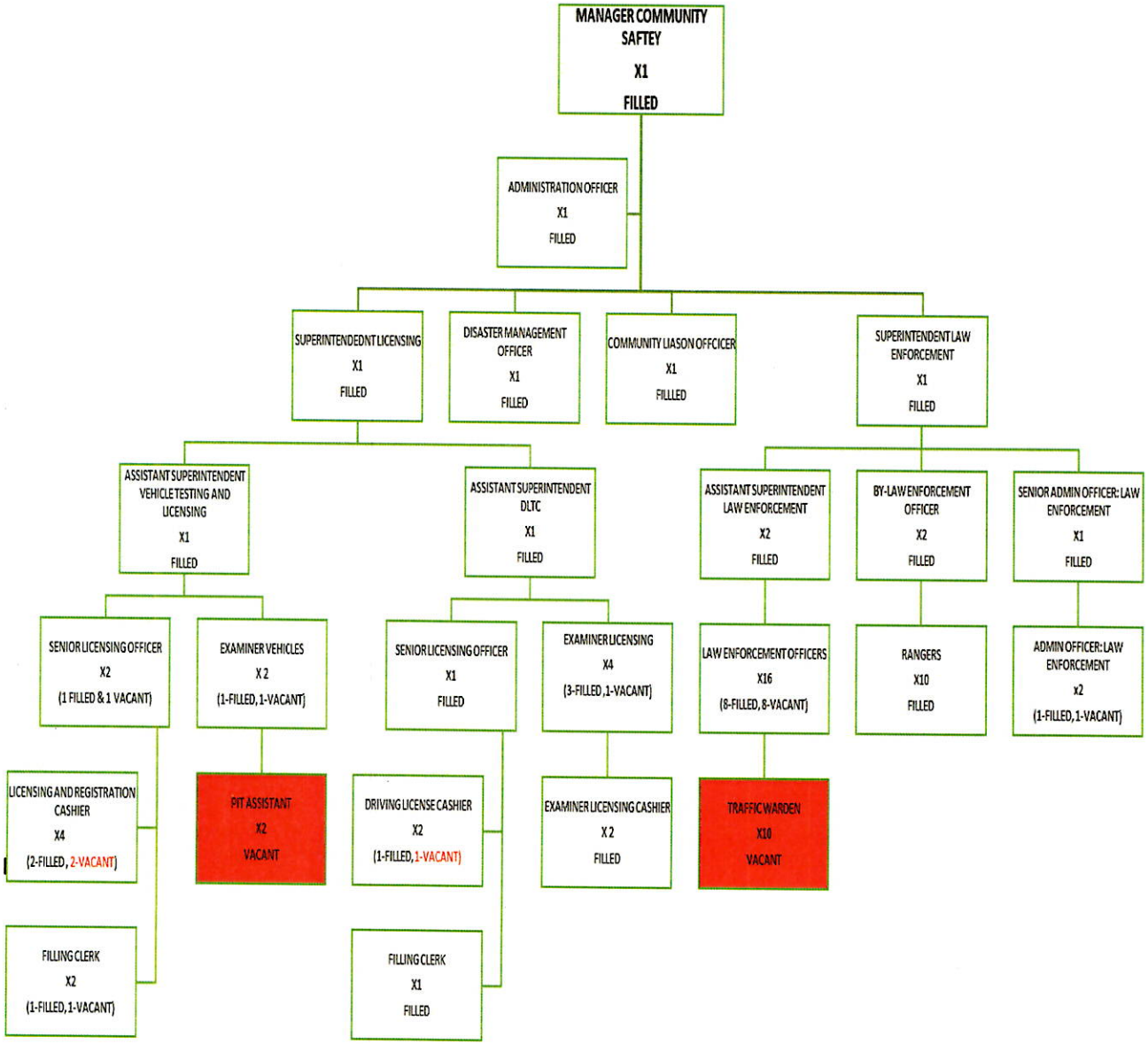
BUDGET AND TREASURY DEPARTMENT


CHIEF FINANCIAL OFFICER
X1
FILLED
DEPARTMENTAL ASSISTANT
MANAGER SUPPLY CHAIN AND FLEET MANAGEMENT
X1
FILLED
SENIOR SUPPLY CHAIN MANAGEMENT
X1
FILLED
DEMAND MANAGEMENT OFFCICER
X1
FILLED
AQUISITION MANAGEMENT OFFICER
X1
FILLED
AQUISITION CLERK
X1
VACANT
LOGISTICS AND STORES MANAGEMENT OFFICER
X1
FILLED
DRIVER
X2
FILLED
MANAGER EXPENDITURE
X1
FILLED
ACCOUNTANT EXPENDITURE
X1
FILLED
PAYROLL OFFICER
X1
FILLED
EXPENDITURE OFFICER
X1
FILLED
MANAGER REVENUEAND DEBT COLLECTION
X1
FILLED
ACCOUNTANT REVENUE AND DEBT COLLECTION
X1
FILLED
FREE BASIC SERVICE AND CUSTOMER CARE
X2
(1-FILLED , 1-VACANT)
CREDIT CONTROL OFFICER
X1
FILLED
CASHIER
X2
FILLED
MANAGER FINANCIAL MANAGEMT AND ASSETS MANAGEMENT
X1
FILLED
ACCOUNTANT ASSET MANAGEMENT
X1
FILLED
IMMOVABLES: ASSETS MANAGEMENT OFFICER
X1
FILLED
MOVABLE ASSETS MANAGEMENT OFFICER
X1
FILLED
MANAGER BUDGET PLANNING, REPORTING AND INVESTMENT MANAGEMENT
X1
FILLED
ACCOUNTANT BUDGET PLANNING, REPORTING, INVESTMENT
X1
FILLED

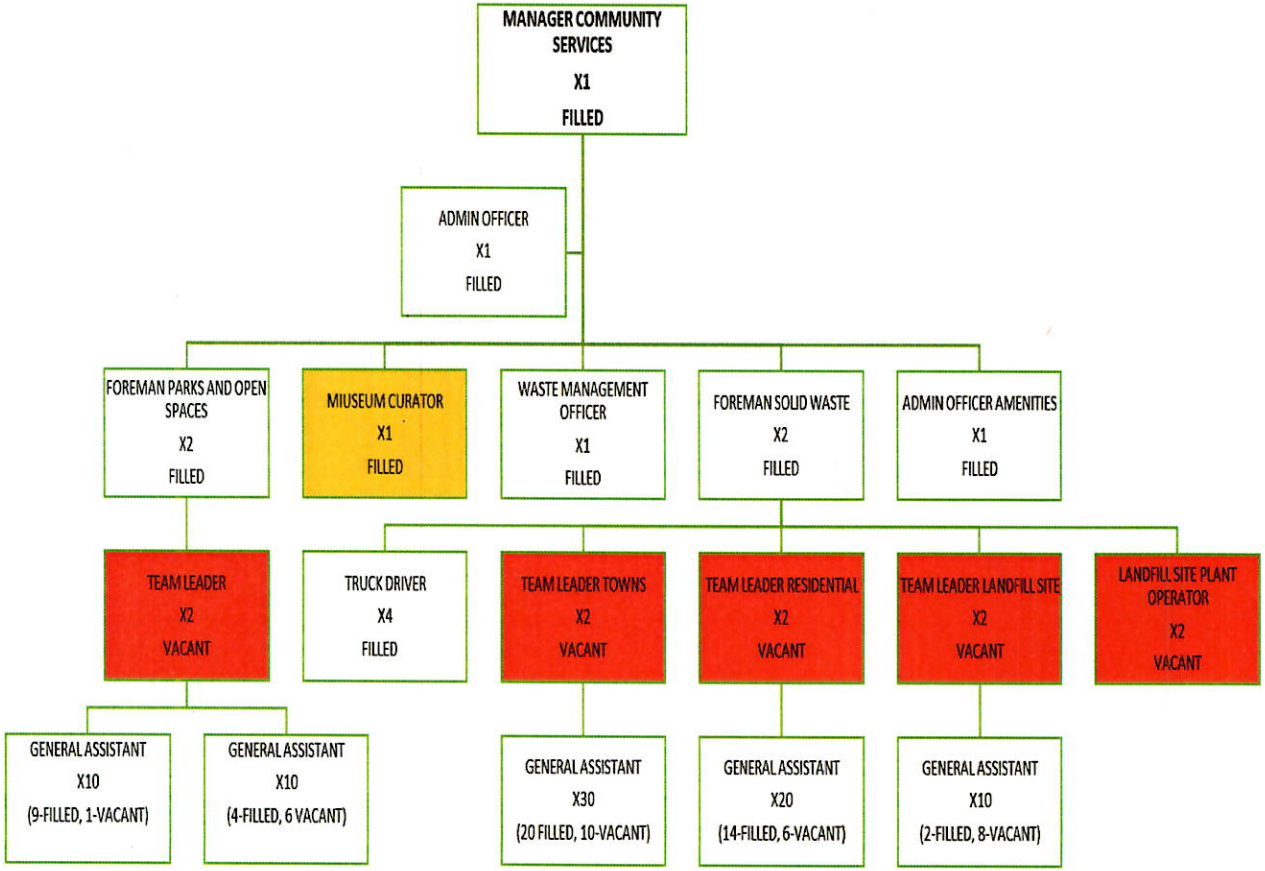
CITIZENS AND COMMUNITY SERVICES DEPARTMENT



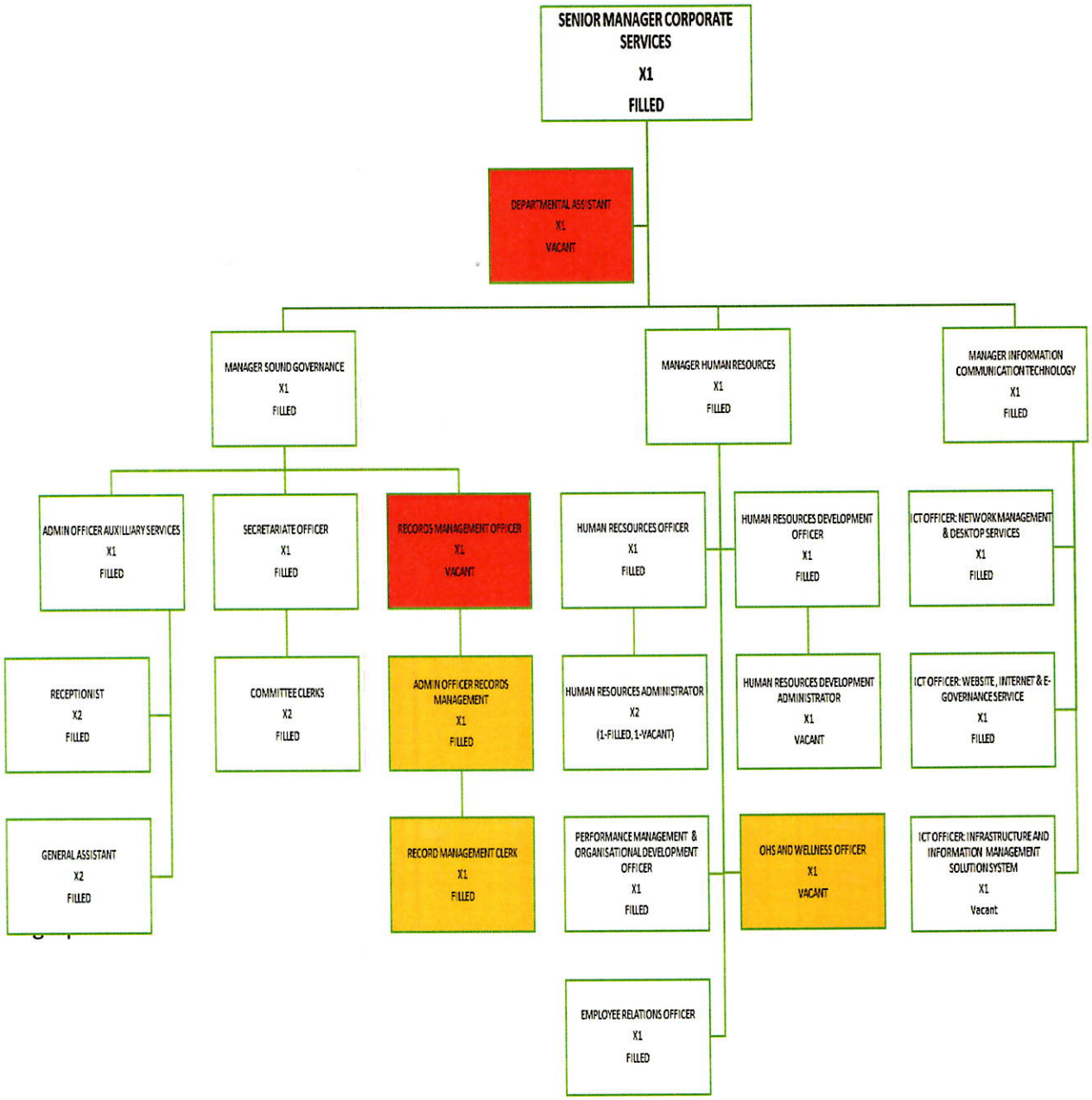
CITIZENS AND COMMUNITY SERVICES DEPARTMENT


MANAGER COMMUNITY SAFTEY
X1
FILLED
ADMINISTRATION OFFICER
X1
FILLED
SUPERINTENDEDNT LICENSING
X1
FILLED
DISASTER MANAGEMENT OFFICER
X1
FILLED
COMMUNITY LIASON OFFCICER
X1
FILLLED
SUPERINTENDENT LAW ENFORCEMENT
X1
FILLED
ASSISTANT SUPERINTENDENT VEHICLE TESTING AND LICENSING
X1
FILLED
ASSISTANT SUPERINTENDENT DLTC
X1
FILLED
ASSISTANT SUPERINTENDENT LAW ENFORCEMENT
X2
FILLED
BY-LAW ENFORCEMENT OFFICER
X2
FILLED
SENIOR ADMIN OFFICER: LAW ENFORCEMENT
X1
FILLED
SENIOR LICENSING OFFICER
X2
(1 FILLED & 1 VACANT)
EXAMINER VEHICLES
X 2
(1-FILLED, 1-VACANT)
SENIOR LICENSING OFFICER
X1
FILLED
EXAMINER LICENSING
X4
(3-FILLED ,1-VACANT)
LAW ENFORCEMENT OFFICERS
X16
(8-FILLED, 8-VACANT)
RANGERS
X10
FILLED
ADMIN OFFICER: LAW ENFORCEMENT
x2
(1-FILLED, 1-VACANT)
LICENSING AND REGISTRATION CASHIER
X4
(2-FILLED, 2-VACANT)
PIT ASSISTANT
X2
VACANT
DRIVING LICENSE CASHIER
X2
(1-FILLED, 1-VACANT)
EXAMINER LICENSING CASHIER
X 2
FILLED
TRAFFIC WARDEN
X10
VACANT
FILLING CLERK
X2
(1-FILLED, 1-VACANT)
FILLING CLERK
X1
FILLED

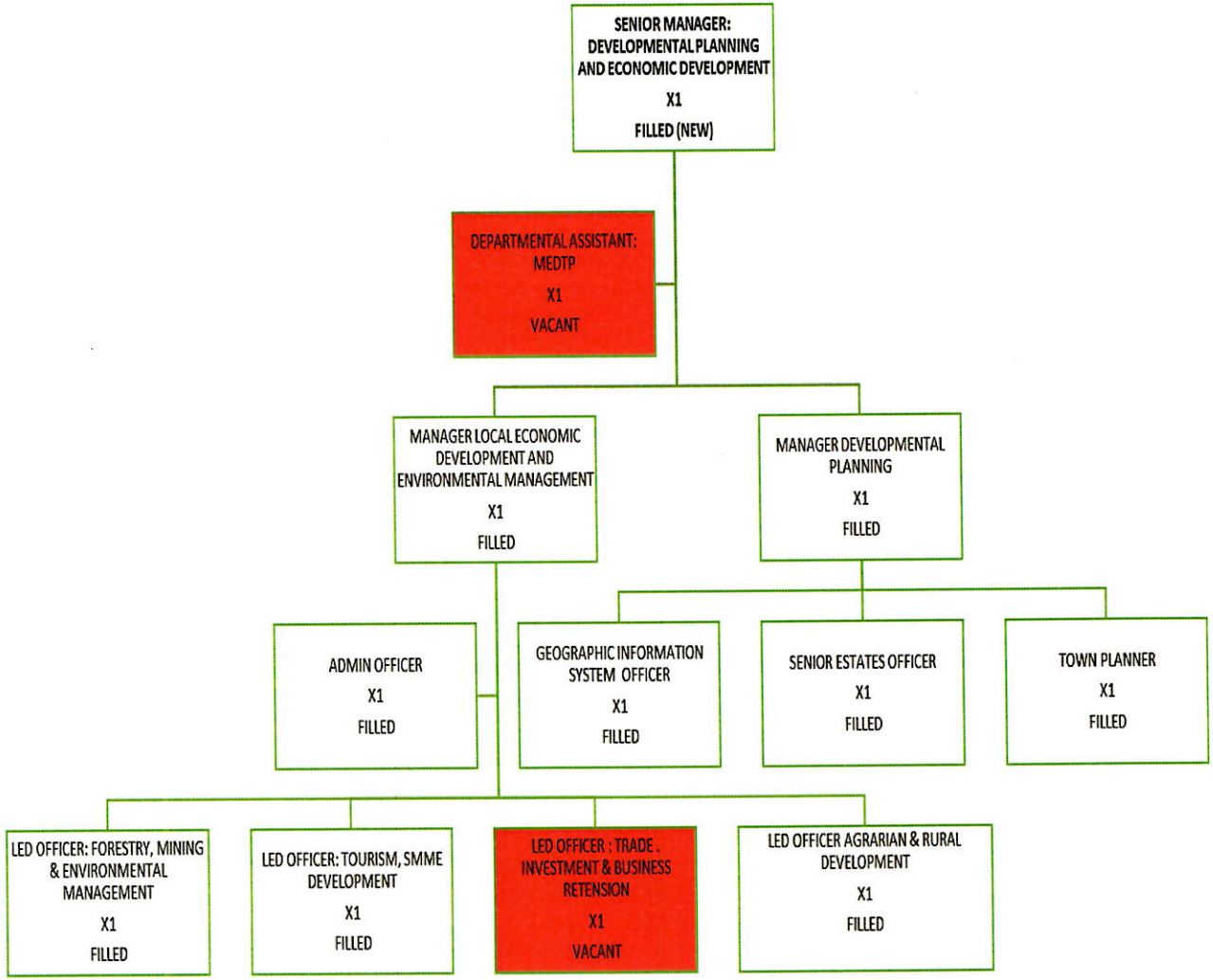
COMMUNITY SERVICES


MANAGER COMMUNITY SERVICES
X1
FILLED
ADMIN OFFICER
X1
FILLED
FOREMAN PARKS AND OPEN SPACES
X2
FILLED
MIUSEUM CURATOR
X1
FILLED
WASTE MANAGEMENT OFFICER
X1
FILLED
FOREMAN SOLID WASTE
X2
FILLED
ADMIN OFFICER AMENITIES
X1
FILLED
TEAM LEADER
X2
VACANT
TRUCK DRIVER
X4
FILLED
TEAM LEADER TOWNS
X2
VACANT
TEAM LEADER RESIDENTIAL
X2
VACANT
TEAM LEADER LANDFILL SITE
X2
VACANT
LANDFILL SITE PLANT OPERATOR
X2
VACANT
GENERAL ASSISTANT
X10
(9-FILLED, 1-VACANT)
GENERAL ASSISTANT
X10
(4-FILLED, 6 VACANT)
GENERAL ASSISTANT
X30
(20 FILLED, 10-VACANT)
GENERAL ASSISTANT
X20
(14-FILLED, 6-VACANT)
GENERAL ASSISTANT
X10
(2-FILLED, 8-VACANT)

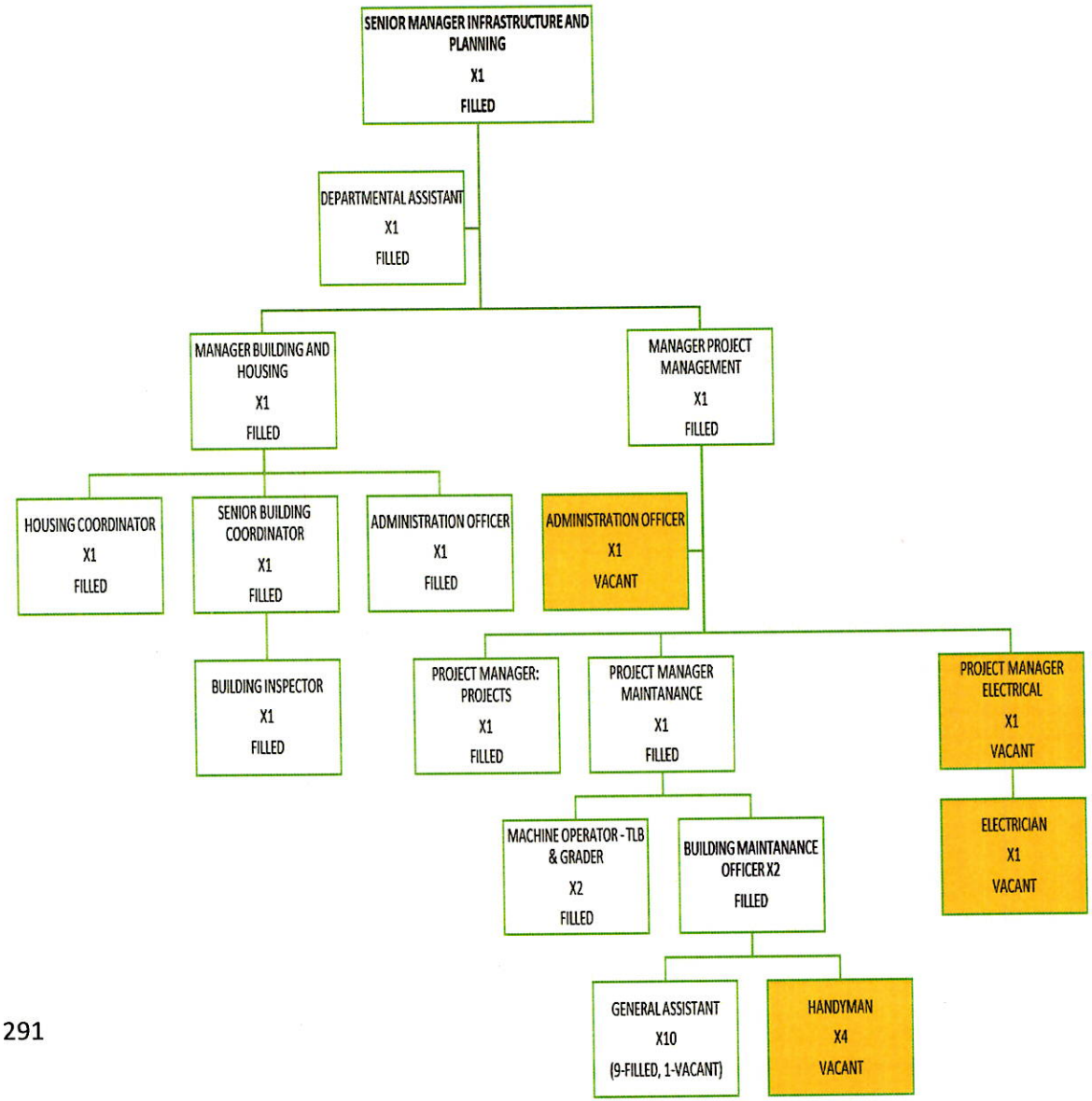
CORPORATE SERVICES DEPARTMENT


SENIOR MANAGER CORPORATE SERVICES
X1
FILLED
DEPARTMENTAL ASSISTANT
X1
VACANT
MANAGER SOUND GOVERNANCE
X1
FILLED
MANAGER HUMAN RESOURCES
X1
FILLED
MANAGER INFORMATION COMMUNICATION TECHNOLOGY
X1
FILLED
ADMIN OFFICER AUXILLIARY SERVICES
X1
FILLED
SECRETARIATE OFFICER
X1
FILLED
RECORDS MANAGEMENT OFFICER
X1
VACANT
HUMAN RECSOURCES OFFICER
X1
FILLED
HUMAN RESOURCES DEVELOPMENT OFFICER
X1
FILLED
ICT OFFICER: NETWORK MANAGEMENT & DESKTOP SERVICES
X1
FILLED
RECEPTIONIST
X2
FILLED
COMMITTEE CLERKS
X2
FILLED
ADMIN OFFICER RECORDS MANAGEMENT
X1
FILLED
HUMAN RESOURCES ADMINISTRATOR
X2
(1-FILLED, 1-VACANT)
HUMAN RESOURCES DEVELOPMENT ADMINISTRATOR
X1
VACANT
ICT OFFICER: WEBSITE, INTERNET & E-GOVERNANCE SERVICE
X1
FILLED
GENERAL ASSISTANT
X2
FILLED
RECORD MANAGEMENT CLERK
X1
FILLED
PERFORMANCE MANAGEMENT & ORGANISATIONAL DEVELOPMENT OFFICER
X1
FILLED
OHS AND WELLNESS OFFICER
X1
VACANT
ICT OFFICER: INFRASTRUCTURE AND INFORMATION MANAGEMENT SOLUTION SYSTEM
X1
Vacant
EMPLOYEE RELATIONS OFFICER
X1
FILLED

DEVELOPMENTAL PLANNNING AND ECONOMIC DEVELOPMENT


SENIOR MANAGER: DEVELOPMENTAL PLANNING AND ECONOMIC DEVELOPMENT
X1
FILLED (NEW)
DEPARTMENTAL ASSISTANT: MEDTP
X1
VACANT
MANAGER LOCAL ECONOMIC DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT
X1
FILLED
MANAGER DEVELOPMENTAL PLANNING
X1
FILLED
ADMIN OFFICER
X1
FILLED
GEOGRAPHIC INFORMATION SYSTEM OFFICER
X1
FILLED
SENIOR ESTATES OFFICER
X1
FILLED
TOWN PLANNER
X1
FILLED
LED OFFICER: FORESTRY, MINING & ENVIRONMENTAL MANAGEMENT
X1
FILLED
LED OFFICER: TOURISM, SMME DEVELOPMENT
X1
FILLED
LED OFFICER : TRADE . INVESTMENT & BUSINESS RETENSION
X1
VACANT
LED OFFICER AGRARIAN & RURAL DEVELOPMENT
X1
FILLED

INFRASTRUCTURE AND PLANNING


SENIOR MANAGER INFRASTRUCTURE AND PLANNING
X1
FILLED
DEPARTMENTAL ASSISTANT
X1
FILLED
MANAGER BUILDING AND HOUSING
X1
FILLED
MANAGER PROJECT MANAGEMENT
X1
FILLED
HOUSING COORDINATOR
X1
FILLED
SENIOR BUILDING COORDINATOR
X1
FILLED
ADMINISTRATION OFFICER
X1
FILLED
ADMINISTRATION OFFICER
X1
VACANT
BUILDING INSPECTOR
X1
FILLED
PROJECT MANAGER: PROJECTS
X1
FILLED
PROJECT MANAGER MAINTANANCE
X1
FILLED
PROJECT MANAGER ELECTRICAL
X1
VACANT
MACHINE OPERATOR - TLB & GRADER
X2
FILLED
BUILDING MAINTANANCE OFFICER X2
FILLED
ELECTRICIAN
X1
VACANT
GENERAL ASSISTANT
X10
(9-FILLED, 1-VACANT)
HANDYMAN
X4
VACANT

VOLUME 2: Annual Financial Statements

Umzimvubu Local Municipality
Annual Financial Statements
for the year ended 30 June 2025

AUDITOR GENERAL
SOUTH AFRICA
30 NOV 2025

General Information

Legal form of entity	Municipality in terms of section 1 of the Local Government: Municipal Structures Act (Act No. 117 of 1998) read with section 155 (1) of the Constitution of the Republic of South Africa (Act No. 108 of 1996).
Nature of business and principal activities	Provision of services to the community as prescribed by the Local Government: Municipal Structures Act (Act No. 117 of 1998) and the Constitution of the Republic of South Africa (Act No. 108 of 1996) as amended.
Executive Mayor	Cllr Z. Ndevu
Speaker	Cllr G.N Mdzinwa (21/10/2024 - current)
	Cllr S. Mathebe (22/07/2024 - 21/10/2024)
	Cllr N. Nomnganga (01/08/2023 - 22/07/2024)
Chief Whip	Cllr N.F Ngonyolo
MPAC Chairperson	Cllr M. Mataka
Councillors	W1 - Cllr M. Kiviet
	W2 - Cllr N.Hlanekela
	W3 - Cllr A. Mkhonto
	W4 - Cllr L. Mapala-Bera
	W5 - Cllr T. Ngxabi
	W6 - Cllr V. P. Gogela
	W7 - Cllr N. Xolo
	W8 - Cllr D. Ndema
	W9 - Cllr A. Jakuja
	W10 - Cllr W. Z. Nqakwana
	W11 - Cllr N. Gogela
	W12 - Cllr P. P. Magujulwa
	W13 - Cllr C. L. Noqhakala
	W14 - Cllr S. Mathebe
	W15 - Cllr M. G. Ngwaqa
	W16 - Cllr B. R. Khehle-Salukazana
	W17 - Cllr N. Jwara
	W18 - Cllr T. E. Sincindi
	W19 - Cllr V. B. Sobhayi
	W20 - Cllr X. Lungu
	W21 - Cllr N. Nomnganga
	W22 - Cllr M. Kakaza
	W23 - Cllr Z. G. Mampemvini
	W24 - Cllr M. B. Jonase
	W25 - Cllr N. V Giwu
	W26 - Cllr M. Tuku
	W27 Cllr S. Faye
	W28 Cllr L. Mveku

General Information

	Pr Cllr B. T. Ngqasa Pr Cllr D. N Ntshobane Pr Cllr C. M. Madyibi Pr Cllr N. P Nogada Pr Cllr N. V. Nomnganga Pr Cllr M. Magobane: (EXCO Member) Pr Cllr L. Gwentshu Pr Cllr F. Ntwakumba Pr Cllr A.N Garane: (PH: Infrastructure and Planning) Pr Cllr N. Nkula: (PH: Budget and Treasury) Pr Cllr X. Jona: (PH: Local Economic Development) Pr Cllr T. Sokhanyile: (PH: SPU and Communication) Pr Cllr I. Nodali: (PH: Corporate Services)
Accounting Officer	Mr G.P.T Nota
Chief Finance Officer (CFO)	Mr K. Mehlomakhulu
Grading of local authority	Grade 3
Registered office	Dabula Street Sophia Kwa-Bhaca 5090
Bankers	First National Bank
Auditors	Auditor-General of South Africa Registered Auditors
Attorneys	Conjwa & Associates Fikile Ntayiya & Associates Madlanga & Partners Inc. Mdledle Incorporation
Legislation governing the municipality's operations	Local Government: Municipal Finance Management Act (Act No. 56 of 2003) Local Government: Municipal Systems Act (Act No. 32 of 2000) Local Government: Municipal Structures Act (Act No. 117 of 1998) Constitution of the Republic of South Africa (Act No. 108 of 1996) Municipal Property Rates Act (Act No. 6 2004) Division of Revenue Act (Act No. 1 of 2007)

Index

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

	Page
Accounting Officer's Responsibilities and Approval	6
Statement of Financial Position	7
Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 15
Significant Accounting Policies	15 - 41
Notes to the Annual Financial Statements	48 - 123

Umzimvubu Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Index

Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DORA	Division of Revenue Act
INEP	Integrated Electrification Programme
MIG	Municipal Infrastructure Grant
EPWP	Expanded Public Works Programme
DSRAC	Department of Sport,Recreation,Arts and Culture
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
ECDC	Eastern Cape Development Corporation
DWA	Department of Water Affairs
PAYE	Pay As You Earn
GRAP	Generally Recognised Accounting Practice
ASB	Accounting Standards Board
UIF	Unemployment Insurance Fund
LGSETA	Local Government Sector Education and Training Authority
SDL	Skills Development Levy
SALGA	South African Local Government Association
SARS	South African Revenue Services
VAT	Value Added Tax
CRR	Capital Replacement Reserve
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
mSCOA	Municipal Standard Chart of Accounts
FMG	Finance Management Grant

Index

PH	Portfolio Head
MPAC	Municipal Public Accounts Committee
EXCO	Executive Committee
SALGBC	South African Local Government Bargaining Council
MTREF	Medium Term Revenue and Expenditure Framework

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

I have reviewed the municipality's cash flow forecast for the year to 30 June 2026 and, in the light of this review and the current financial position, I am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

I certify that the salaries, allowances and benefits of councilors, as disclosed in notes 41&61 - to these annual financial statements, are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act (Act No. 20 of 1998) and the Minister ofProvincial and Local Government's determination in accordance with the Act.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the munic 's external auditors and their report is presented on page 7.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by

Umzimvubu Local Municipality
Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	3	15 629 767	3 899 018
Operating lease receivable	4	23 837 112	21 212 139
Trade and other receivables from exchange transactions	5	3 257 475	2 406 459
Receivables from non-exchange transactions	6	13 666 100	13 609 130
Prepayments	7	1 213 685	1 177 812
Other current assets	8	522 671	1 141 659
VAT input accrual	9	4 079 421	4 801 074
Cash and cash equivalents	10	91 190 448	66 304 389
		153 396 679	**114 551 680**
Non-Current Assets			
Investment property	11	26 825 225	26 105 040
Property, plant and equipment	12	1 052 819 523	1 028 304 792
Intangible assets	13	212 771	295 922
Heritage assets	14	17 719	17 719
		1 079 875 238	**1 054 723 473**
Total Assets		**1 233 271 917**	**1 169 275 153**
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	15	56 590 557	63 001 794
VAT payable	20	13 331 146	9 531 686
Consumer deposits	16	206 981	175 871
Trade and other payables from non-exchange transactions	17	3 794 798	18 096 100
Employee benefits obligations	18	14 102 663	13 156 778
VAT output accrual	19	186 056	179 190
		88 212 201	**104 141 419**
Non-Current Liabilities			
Employee benefits obligations	18	2 881 000	2 477 000
Provisions	21	9 549 388	9 177 152
		12 430 388	**11 654 152**
Total Liabilities		**100 642 589**	**115 795 571**
Net Assets		**1 132 629 328**	**1 053 479 582**
Reserves			
Capital replacement reserve	22	40 359 950	36 752 837
Accumulated surplus	23	1 092 269 397	1 016 726 738
Total Net Assets		**1 132 629 347**	**1 053 479 575**

AUDITOR GENERAL
SOUTH AFRICA
30 NOV 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods and other services	25	389 303	249 332
Service charges	26	1 360 462	1 296 952
Commission income	27	820 484	818 929
Construction contracts	28	46 280 523	38 092 776
Rental of facilities and equipment	29	5 426 054	5 139 629
Interest received - exchange transactions	30	11 047 411	10 726 289
Agency services	31	2 364 094	2 360 443
Licences and permits	32	2 163 878	1 921 051
Recoveries	33	194 238	-
Operational revenue	34	112 630	179 148
Total revenue from exchange transactions		**70 159 077**	**60 784 549**
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	35	64 664 732	46 521 963
Licences and permits		223 413	158 059
Interest received - non exchange transactions	36	4 696 289	2 114 413
Transfer revenue			
Government grants and subsidies	37	388 841 598	361 908 236
Fines, Penalties and Forfeits	38	2 358 642	3 642 390
Donations	39	150 000	12 647 449
Total revenue from non-exchange transactions		**460 934 674**	**426 992 510**
Total revenue	24	**531 093 751**	**487 777 059**
Expenditure			
Employee related costs	40	(100 284 906)	(93 007 309)
Remuneration of councillors	41	(24 538 553)	(23 558 458)
Construction contracts	28	(46 280 523)	(38 092 776)
Depreciation and amortisation	42	(82 441 563)	(77 989 258)
Finance costs	43	(2 118 853)	(2 310 151)
Lease rentals	44	(1 048 832)	(845 018)
Inventory consumed	45	(6 472 498)	(6 515 786)
Unclaimable VAT input	46	(1 849 849)	(2 347 536)
Contracted services	47	(84 337 540)	(93 093 832)
Transfers and Subsidies	48	(22 455 424)	(18 700 091)
Operating costs	49	(63 676 722)	(72 508 964)
Total expenditure		**(435 505 263)**	**(428 969 179)**
Operating surplus		**95 588 488**	**58 807 880**
Loss on disposal of assets and liabilities	50	(11 273 683)	(18 086 217)
Fair value gains	51	12 758 885	712 476
Actuarial gains	52	12 651	4 190
Impairment losses	53	(17 992 418)	(41 985 261)

AUDITOR GEN
SOUTH A
30

Statement of Changes in Net Assets

Figures in Rand	Capital Replacement Reserve	Accumulated surplus	Total net assets
Opening balance as previously reported	34 013 373	1 023 163 954	1 057 177 327
Adjustments			
Prior year adjustments 71	-	(3 150 820)	(3 150 820)
Balance at 01 July 2023 as restated*	**34 013 373**	**1 020 013 134**	**1 054 026 507**
Changes in net assets			
Surplus for the year	-	(546 932)	(546 932)
Transfers to/(from) reserves	2 739 464	(2 739 464)	-
Total changes	2 739 464	(3 286 396)	(546 932)
Opening balance as previously reported	36 752 837	1 035 543 414	1 072 296 251
Adjustments			
Prior year adjustments 71	-	(18 760 827)	(18 760 827)
Restated* Balance at 01 July 2024 as restated*	**36 752 837**	**1 016 782 587**	**1 053 535 424**
Changes in net assets			
Surplus for the year	-	79 093 923	79 093 923
Transfers to/(from) reserves	3 607 113	(3 607 113)	-
Total changes	3 607 113	75 486 810	79 093 923
Balance at 30 June 2025	**40 359 950**	**1 092 269 397**	**1 132 629 347**
Note(s)	22		

AUDITOR GENERAL
SOUTH AFRICA
30 NOV 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Property rates and service charges		62 385 866	45 070 717
Sale of goods and services		58 199 329	27 900 464
Grants		377 998 201	369 782 311
Interest income		10 508 028	10 726 289
		509 091 424	453 479 781
Payments			
Employee costs		(123 755 923)	(117 033 787)
Suppliers		(254 094 514)	(205 334 549)
Finance costs		(1 395 792)	(2 672 269)
		(379 246 229)	(325 040 605)
Net cash flows from operating activities	55	**129 845 195**	**128 439 176**
Cash flows from investing activities			
Purchase of property, plant and equipment	12&73	(104 959 136)	(141 641 362)
Proceeds from sale of property, plant and equipment	12	-	495 784
Purchase of investment property	11	-	(94 500)
Net cash flows from investing activities		**(104 959 136)**	**(141 240 078)**
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		**24 886 059**	**(12 800 902)**
Cash and cash equivalents at the beginning of the year		66 304 389	79 105 291
Cash and cash equivalents at the end of the year	10	**91 190 448**	**66 304 389**

The accounting policies on pages 15 to 41 and the notes on pages 48 to 123 form an integral part of the annual financial statements.

AUDITOR GENERAL
SOUTH AFRICA
30 NOV 2025

Umzimvubu Local Municipality

Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods and rendering of services	23 644 000	1 050 000	**24 694 000**	46 669 826	**21 975 826**	N1
Service charges	1 482 600	400	**1 483 000**	1 360 462	**(122 538)**	
Rendering of services	2 266 250	(2 266 250)	**-**	820 484	**820 484**	
Rental of facilities and equipment	4 708 000	2 647 000	**7 355 000**	5 426 054	**(1 928 946)**	N2
Interest earned from current and non-current assets	10 580 000	-	**10 580 000**	11 047 411	**467 411**	
Interest earned from Receivables	2 200 000	(2 200 000)	**-**	-	**-**	
Agency services	2 900 000	-	**2 900 000**	2 364 094	**(535 906)**	
Licences and permits	1 765 000	-	**1 765 000**	2 163 878	**398 878**	N3
Recoveries	-	-	**-**	194 238	**194 238**	N11
Operational revenue	4 035 000	-	**4 035 000**	112 630	**(3 922 370)**	N4
Total revenue from exchange transactions	**53 580 850**	**(768 850)**	**52 812 000**	**70 159 077**	**17 347 077**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	49 910 850	16 993 150	**66 904 000**	64 664 732	**(2 239 268)**	
Licences and Permits (Non-exchange)	100 000	100 000	**200 000**	223 413	**23 413**	N5
Interest	-	2 200 000	**2 200 000**	4 696 289	**2 496 289**	N6
Transfer revenue						
Government grants & subsidies	488 707 000	14 519 000	**503 226 000**	388 841 598	**(114 384 402)**	N7
Fines, Penalties and Forfeits	4 527 000	-	**4 527 000**	2 358 642	**(2 168 358)**	N8
Donations	-	-	**-**	150 000	**150 000**	
Total revenue from non-exchange transactions	**543 244 850**	**33 812 150**	**577 057 000**	**460 934 674**	**(116 122 326)**	
Total revenue	**596 825 700**	**33 043 300**	**629 869 000**	**531 093 751**	**(98 775 249)**	
Expenditure						
Employee related costs	(97 886 791)	(2 611 566)	**(100 498 357)**	(100 2[illegible])	**213 451**	N22
Remuneration of councillors	(24 485 405)	(53 595)	**(24 539 000)**	(24 538 553)	**447**	
Depreciation and amortisation	(113 470 000)	-	**(113 470 000)**	(82 441 563)	**31 028 437**	N10

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Operating surplus	**120 356 740**	**18 871 260**	**139 228 000**	**77 596 070**	**(61 631 930)**	
Loss on disposal of assets and liabilities	-	-	-	(11 273 683)	**(11 273 683)**	N11
Fair value adjustments	-	-	-	12 758 885	**12 758 885**	N11
Actuarial gains/losses	-	-	-	12 651	**12 651**	N11
	-	-	-	**1 497 853**	**1 497 853**	
Surplus before taxation	**120 356 740**	**18 871 260**	**139 228 000**	**79 093 923**	**(60 134 077)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**120 356 740**	**18 871 260**	**139 228 000**	**79 093 923**	**(60 134 077)**	

AUDITOR GENERAL
SOUTH AFRICA
30 NOV 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	2 949 317	949 683	**3 899 000**	15 629 767	**11 730 767**	N12
Operating lease asset	-	-	-	23 837 112	**23 837 112**	N18
Trade and other receivables from exchange transactions	21 560 303	(21 366 303)	**194 000**	3 257 475	**3 063 475**	N6
Receivables from non-exchange transactions	12 553 323	(2 798 323)	**9 755 000**	13 666 100	**3 911 100**	N16
VAT receivable	20 588 000	(2 151 000)	**18 437 000**	4 079 421	**(14 357 579)**	N19
Prepayments	-	-	-	1 213 685	**1 213 685**	N11
Other current assets	1 865 000	21 306 000	**23 171 000**	522 671	**(22 648 329)**	N18
Cash and cash equivalents	108 105 965	12 858 035	**120 964 000**	91 190 448	**(29 773 552)**	N6
	167 621 908	**8 798 092**	**176 420 000**	**153 396 679**	**(23 023 321)**	
Non-Current Assets						
Investment property	25 298 064	806 936	**26 105 000**	26 825 225	**720 225**	
Property, plant and equipment	1 125 198 110	69 106 890	**1 194 305 000**	1 052 819 523	**(141 485 477)**	N15
Intangible assets	3 445 480	(2 055 480)	**1 390 000**	212 771	**(1 177 229)**	N10
Heritage assets	17 719	281	**18 000**	17 719	**(281)**	
	1 153 959 373	**67 858 627**	**1 221 818 000**	**1 079 875 238**	**(141 942 762)**	
Total Assets	**1 321 581 281**	**76 656 719**	**1 398 238 000**	**1 233 271 917**	**(164 966 083)**	
Liabilities						
Current Liabilities						
Trade and other payables from exchange transactions	71 835 265	4 447 735	**76 283 000**	56 590 557	**(19 692 443)**	N20
Consumer deposits	161 703	14 297	**176 000**	206 981	**30 981**	
Trade and other payables from non-exchange transactions	6 179 911	4 441 089	**10 621 000**	3 794 798	**(6 826 202)**	N17
Employee benefits obligations	13 649 988	(9 807 988)	**3 842 000**	14 102 663	**10 260 663**	N20
VAT output accrual	222 390	10 999 610	**11 222 000**	13 517 202	**2 295 202**	N19
	92 049 257	**10 094 743**	**102 144 000**	**88 212 201**	**(13 931 799)**	
Non-Current Liabilities						
Employee benefits obligations	-	-	-	2 881 000	**2 881 000**	N19
Provisions	8 530 829	3 123 171	**11 654 000**	9 5[illegible]8	**(2 104 612)**	N20
	8 530 829	**3 123 171**	**11 654 000**	**12 4[illegible]8**	**776 388**	
Total Liabilities	**100 580 086**	**13 217 914**	**113 798 000**	**100 642 589**	**(13 155 411)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Total Net Assets	**1 221 001 195**	**63 438 805**	**1 284 440 000**	**1 132 629 347**	**(151 810 653)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates	45 918 000	15 634 000	**61 552 000**	61 754 043	**202 043**	
Service charges	1 364 000	-	**1 364 000**	631 823	**(732 177)**	N6
Other revenue	70 804 000	29 329 000	**100 133 000**	31 240 582	**(68 892 418)**	N21
Transfers and Subsidies - Operational	319 388 000	(17 936 000)	**301 452 000**	296 951 201	**(4 500 799)**	
Transfers and Subsidies - Capital	192 047 000	9 727 000	**201 774 000**	81 047 000	**(120 727 000)**	N7
Interest	10 580 000	-	**10 580 000**	10 508 028	**(71 972)**	
	640 101 000	**36 754 000**	**676 855 000**	**482 132 677**	**(194 722 323)**	
Payments						
Suppliers and employees	(334 825 000)	(6 910 000)	**(341 735 000)**	(328 421 490)	**13 313 510**	N12
Transfers and subsidies	(15 262 000)	(4 298 000)	**(19 560 000)**	(23 865 992)	**(4 305 992)**	N13
	(350 087 000)	**(11 208 000)**	**(361 295 000)**	**(352 287 482)**	**9 007 518**	
Net cash flows from operating activities	**290 014 000**	**25 546 000**	**315 560 000**	**129 845 195**	**(185 714 805)**	
Cash flows from investing activities						
Capital assets - purchase	(261 013 000)	(2 094 000)	**(263 107 000)**	(104 959 136)	**158 147 864**	N7
Net increase/(decrease) in cash and cash equivalents	29 001 000	23 452 000	**52 453 000**	24 886 059	**(27 566 941)**	N6
Cash and cash equivalents at the beginning of the year	79 105 000	(12 795 000)	**66 310 000**	66 304 389	**(5 611)**	
Cash and cash equivalents at the end of the year	**108 106 000**	**10 657 000**	**118 763 000**	**91 190 448**	**(27 572 552)**	

The accounting policies on pages 15 to 41 and the notes on pages 48 to 123 form an integral part of the annual financial statements.

Significant Accounting Policies

Figures in Rand	Note(s)	2025	2024

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

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

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

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

The municipality implemented the Municipal Standard Chart of Accounts(mSCOA) during the year ended 30 June 2025 as required in terms of the Municipal Regulations on Standard Chart of Accounts, announced by Government Gazette No 37577 of 22 April 2014, in section 168 of the Local Government: Municipal Finance Management, Act (Act 56 of 2003) and through directives and guidelines from National Treasury.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, and rounded off to the nearest Rand which is the functional currency of the municipality.

1.3 Going concern assumption

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

1.4 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The municipality does not retrospectively adjust the accounting of past items (or grou[illegible]ems) that were previously assessed as immaterial, unless an error occurred.

1.5 Comparative figures

Significant Accounting Policies

1.6 Inventories (continued)

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories is assigned using the weighted average cost formula for consumables and specific identification for land held for sale.. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Cost of sales

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Significant Accounting Policies

1.7 Leases (continued)

Operating leases - lessee

Due to its nature, operating lease payments are recognised as an expense another systematic basis - invoice basis. The amounts recognised as an expense are recognised as operating lease expenditure.

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset. The municipality has the following statutory receivables:
1. Property Rates receivables
2. Traffic Fines receivables.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts unrecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations, approved policies or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, policies or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Municipal rates and taxes); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts unrecognised.

Significant Accounting Policies

1.8 Statutory receivables (continued)

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts unrecognised and, [illegible] amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 Cash and cash equivalents

Significant Accounting Policies

1.10 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is unrecognised.

Based on management's judgement, the following criteria have been applied to distinguish Investment Properties from owner occupied property or property held for resale:

- All unused municipal land are not classified as investment property.
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis (this will include the property portfolio rented out on a commercial basis on behalf of the municipality);
- Property that is being constructed or developed for future use as investment property.

The rent earned does not have to be at a commercial basis or market related for the property to be classified as investment property.

Fair value

Subsequent to initial measurement investment property is measured at fair value and no depreciation is calculated on investment property.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost

Significant Accounting Policies

1.10 Investment property (continued)

Derecognition/Disposal

Investment properties are unrecognised (eliminated from the Statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of financial performance.

The transfer of Investment Property to/from the Property Plant and Equipment is done on the commencement of owner occupation or ceases to be owner occupied or commencement of development with the view of sale for inventory.

1.11 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services (including community use), rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

Items such as spare parts, standby equipment and acquisition, major inspection and major overhaul [illegible]

Significant Accounting Policies

1.11 Property, plant and equipment (continued)

Even though the municipality is aware that useful lives are estimates not policies as per GRAP 3, the municipality has decided to include in the policies for determination of best estimates. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight-line	8 - 55
Mobile offices	Straight-line	5 - 10
Electrical infrastructure	Straight-line	3 - 80
Infrastructure assets (Roads, pavements, bridges and stormwater)	Straight-line	3 - 80
Landfill Sites	Straight-line	10 - 55
Community assets	Straight-line	5 - 80
Transport assets	Straight-line	4 - 10
Computer equipment	Straight-line	2 - 10
Furniture, Fittings & Office Equipment	Straight-line	3 - 20
Bins & Containers	Straight-line	10 - 15
Specialised Plant and Equipment	Straight-line	2 - 15

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of

Significant Accounting Policies

1.12 Intangible assets

An intangible asset is an identifiable, non-monetary asset without physical substance. The municipality has classified computer software and municipal website.

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

The amortisation period and the amortisation method for intangible assets are reviewe[illegible]ach reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that

Significant Accounting Policies

1.12 Intangible assets (continued)

Intangible assets are unrecognised:

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

1.13 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Heritage assets are non-cash generating assets.

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

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

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

Recognition

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Significant Accounting Policies

1.13 Heritage assets (continued)

Subsequent measurement

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

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

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

Derecognition

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

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

1.14 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

If the related asset is measured using the revaluation model:

(a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
- a decrease in the liability (subject to (b)) is credited to revaluation surplus in net assets, except that it is

Significant Accounting Policies

1.15 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:
1. the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
2. the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits include items such as:
1. wages, salaries and social security contributions;
2. short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
3. bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
4. non-monetary benefits (for example, medical

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

Significant Accounting Policies

1.15 Employee benefits (continued)

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

Termination benefits

Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

Measurement

The entity measures termination benefits on initial recognition, and measures and recognise subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to post-employment benefits, the entity applies the requirements for post-employment benefits. Otherwise:

(a) If the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period in which the termination benefit is recognised, the entity applies the requirements for short-term employee benefits.

(b) If the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the entity applies the requirements for other long-term employee benefits.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money.

The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and

Significant Accounting Policies

1.16 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Significant Accounting Policies

1.16 Provisions and contingencies (continued)

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

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

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

  Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money.

  The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any

Significant Accounting Policies

1.16 Provisions and contingencies (continued)

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the municipality's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to Surplus or Deficit.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficit.

1.17 Revenue from exchange transactions

Revenue is derived from a variety of sources which include revenue from trading activities and other services provided.

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

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Significant Accounting Policies

1.17 Revenue from exchange transactions (continued)

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Service Charges

Service Charges are levied in terms of approved tariffs.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage, and are levied based on the extent of each property.

Rentals Received

Revenue from the rental of premises is recognised on a straight-line basis over the term of the lease agreement. Rental received from other assets is recognised on amounts paid by the renter.

Finance Income

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

Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Revenue from Agency Services

Revenue for agency services is recognised on a daily basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

Sale of goods

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

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the

Significant Accounting Policies

1.17 Revenue from exchange transactions (continued)

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Significant Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a Time-proportionate Basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating

Significant Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Traffic fines are statutory revenue.

Public Contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Assets acquired from non-exchange transactions are measured at fair value in accordance with GRAP 23.

Government Grants and Receipts

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

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

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

Unspent conditional grants are financial liabilities that are disclosed in the notes to the statement of financial position. They represent unspent government grants, subsidies and contributions from government organs.

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

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the statement of

Significant Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure
The recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.20 Financial instruments

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

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

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

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

Significant Accounting Policies

1.20 Financial instruments (continued)

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

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

A financial asset is:

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

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

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

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

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

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

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

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

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in

Significant Accounting Policies

1.20 Financial instruments (continued)

- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

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

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

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

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

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

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Impairment of Financial Assets

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

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

Government accounts are not provided for as such accounts are regarded as receivable for the following reasons:

- It is management's judgement that the accounts are not "lost events" in terms of GRAP 104.58.
- State Departments and Entities have to pay their creditors within 30 days in terms of the MFMA.
- Interest is charged on all outstanding balances at a rate of 10% per annum.

Significant Accounting Policies

1.20 Financial instruments (continued)

Classification

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

Class	Category
Cash and cash equivalents	Financial asset measured at fair value
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost

1.21 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

judgement made by management in applying the criteria to designate assets as cash-generating assets or non-cash-

Significant Accounting Policies

1.21 Impairment of cash-generating assets (continued)

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

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

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

1.22 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the

Significant Accounting Policies

1.22 Impairment of non-cash-generating assets (continued)

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

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

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

1.23 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.24 Construction contracts

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. When funds are received in advance from a construction contract, accrued income is recognised.

Significant Accounting Policies

1.24 Construction contracts (continued)

- each asset has been subject to separate negotiation,and the contractor and customer have been able to accept or reject that part of the contract relating to each asset; and
- the costs and revenues of each asset can be identified.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

1.25 Value Added Tax

Identifying different VAT transactions.

The transaction between the municipality and customer/supplier includes the provision of goods or services in cash or credit; and the levying and/or collection of VAT by the municipality from the customer. Both elements of the transaction arose from the contractual arrangement to provide goods or services in return for consideration. Thus, the entire receivable/payable due in that transaction (consideration for goods or services together with the VAT element) is classified as a contractual receivable /payable and accounted for in accordance with GRAP104.

The transaction between the municipality and SARS is the VAT payable to / receivable from SARS on transaction date when cash is received/paid, arises from legislation (i.e., VAT Act) and is a classified as statutory arrangement and will be accounted for in accordance with GRAP 19 or GRAP 108. VAT output accrual is discosed seperately as current liability and VAT input accrual is disclosed seperately as a current asset.

Therefore, VAT payable to or receivable from SARS is a statutory payable or receivable. Therefore, as it is a statutory receivable/payable, it does not meet the definition of a financial instrument as should not be disclosed in the financial instrument note as per GRAP104.

The amount of VAT receivable from or payable to SARS is calculated as the net amount of output VAT collected and input VAT paid. As the amount due from or to SARS is already a net amount, there is no separate recognition of a receivable or payable.

1.26 Transfer payments

The municipality transfers goods or services to organisations from time to time, through the Local Economic Development initiative. In making these transfers, the municipality does not:

- received any goods or services directly in return as would be expected in a purchase or sale transaction.
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period during which the events giving rise to the transfer occurred.

Significant Accounting Policies

(continued)

Traffic fines infringements that have not been served within a period of 18 months of the date of the alleged offence be withdrawn and/or warrants to the arrest that have not been executed within 2 years after the date of authorisation thereof be returned with the control documents to the relevant Magistrate for cancellation as per the National Prosecuting Authority of South Africa. (Uniform national instruction in respect of Traffic Infringements matters issued by various law enforcement agencies)

1.28 Waiver of debt

The waiver of debt is the eradication of debt to achieve specific objectives. An entity may waive its right to receive future receipts (in cash or another financial asset) in accordance with legislation or similar means, for example through a specific policy decision such as a tax amnesty programme.

When a debtor applies for the debt incentive scheme, 90/10 ratio is applied where if a payment of 10 percent is paid in lumpsum or over 6 months, the debtor qualifies for a 90 percent waiver on their debt.

1.29 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

Significant Accounting Policies

1.29 Accounting by principals and agents (continued)

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.30 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.31 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.32 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.33 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Significant Accounting Policies

1.34 Budget information (continued)

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal periods from 2024/07/01 to 2027/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.35 Significant judgements and sources of estimation uncertainty

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

Other significant judgement, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Accounting by principals and agent

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships.

Significant judgement applied are as follow:

- A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf and for the benefit of another entity (the principal).
- The assessment of whether an entity is a principal, or an agent requires the entity to evaluate the rights and obligations of all parties to each binding arrangement so as to establish whether the transactions it undertakes with third parties are for the benefit of another entity or for its own.

Additional information is disclosed in Note 57.

Impairment of statutory receivables

Significant Accounting Policies

1.35 Significant judgements and sources of estimation uncertainty (continued)

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Materiality

Applying materiality is pervasive to the preparation of financial statements. Materiality is a key consideration in deciding how to apply the Standards of GRAP when preparing the financial statements. Information is material if its omission or misstatement has the potential to influence the decisions of users or affect the discharge of accountability by the entity.

Applying materiality in the preparation of annual financial statements requires the entity to make key assessments and decisions. Key assessments and decisions made in considering materiality, are as follows:

- Identification of users and their information needs
- Assessing information based on nature and size, by developing qualitative considerations and quantitative thresholds
- Application of materiality in preparing the financial statements:
    - Developing accounting policies
    - Deciding what information to disclose
    - Deciding how to present information
    - Assessing omissions, misstatements and errors

The assessments and decisions are considered throughout the financial reporting cycle, and not only when annual financial statements are prepared.

Impairment of Financial Assets

Accounting Policy 1.20 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

Accounting Policy 1.20 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

Impairment of Trade Receivables

The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payme[illegible]based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 1.11, 1.10, and 1.12, the municipality depreciates its Property, Plant & Equipment and

Significant Accounting Policies

1.35 Significant judgements and sources of estimation uncertainty (continued)

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management. Estimated impairments during the year to Plant and Equipment, and Intangible Assets are disclosed in Notes 13 and 14 to the Annual Financial Statements, if applicable.

Defined Benefit Plan Liabilities

As described in Accounting Policy 1.15 Employee Benefits – The municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality warrant the actuarial expert identified are long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

Provisions, Contingent Liabilities and Contingent Assets

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

Budget Information

Deviations between budget and actual amounts are regarded as material difference if its above 10 percent.

Segment reporting

In applying GRAP 18 segment reporting, management makes judgement with regard to the identification of reportable segments, as well as regarding what constitutes segment results. This enables users to evaluate the nature and financial effects of the activities in which the segment engages, and the economic environments in which it operates.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. The fair value of investment property reflects market conditions at the reporting date. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instru[illegible]. Cash and cash equivalent is assessed to approximate their fair value due to its short - term nature.

Impairment testing

Significant Accounting Policies

1.35 Significant judgements and sources of estimation uncertainty (continued)

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. The Non-payment percentage is determined for each debtor.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

1.36 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, t[illegible]unicipality discloses narrative information about the nature of the transactions and the related outstanding balances, [illegible]able users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.37 Events after reporting date

Significant Accounting Policies

1.38 Accumulated Surplus

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

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

- The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the Investment Policy of the municipality.
- The CRR may be utilised for the purpose of purchasing items of Property, Plant and Equipment and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the Accumulated Surplus/(Deficit) is credited by a corresponding amount.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and Interpretations early adopted

The municipality has not chosen to early adopt any standards and interpretations.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	01 April 2099	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	01 April 2099	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unable to reliably estimate the impact

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

3. Inventories

Consumables	1 250 467	1 558 418
Land held for sale	14 379 300	2 340 600
	15 629 767	**3 899 018**
Inventories recognised as an expense during the year.	6 472 498	6 515 786

Inventory consumables are held for own use and measured at the lower of cost and current replacement cost. No write downs of inventory to net realisable value were required and no previously written down was reversed during the current year.

Land held for sale is measured at its fair value as determined on the date the decision to dispose off the land was made. This was based on the valuation roll of the municipality applicable during the 2019/20 and 2024/25 financial years.

Inventory pledged as security

No inventories have been pledged as collateral for the liabilities of the municipality.

There was no inventory retained as personal protective equipment, by the municipality.

Land held for sale

Land held for sale consist of land parcels awaiting to be disposed. Council took a resolution to dispose off Land in June 2020 and during the 2024/2025 reporting period, the municipality is in the process of disposing the land.

During the year, land pieces with a total value (cost of sales) of R797 000 (2024: R0) and total proceeds of R 1 412 343 (2024: R0) were disposed. However, there municipality has not yet transferred rights to the buyer as the transfer process is still in place.

4. Operating lease receivable

Current assets	23 837 112	21 212 139

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. The lease receivable recognised is in respect of Non-cancelable Operating Leases.

Leasing Arrangements

The operating lease relate to Property owned by the municipality with lease terms of 2 to 50 years (2023 - 2 to 50 years) with an option to extend. All lease agreements payments have an annual increase between 7% - 10%.

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease per 'o unguaranteed residual values accruing to the municipality.

Amounts receivable under Operating Leases

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
4. Operating lease receivable (continued)		
Reconciliation		
Opening balances	21 212 139	18 473 694
Effects of straightlining for the year	2 624 973	2 738 445
	23 837 112	**21 212 139**
Operating Lease Arrangements		
Up to 1 Year	2 341 750	2 245 682
2 to 5 years	5 009 246	6 778 085
More than 5 years	136 312 025	136 726 298
	143 663 021	**145 750 065**
5. Trade and other receivables from exchange transactions		
Recovery of stolen deposits	102 000	-
Department of Human Settlement	315 489	949 708
Consumer debtors - Refuse	1 257 949	1 110 310
Consumer debtors - Rentals	1 582 037	346 441
	3 257 475	**2 406 459**
Other debtors - Department of Human Settlements		
Opening balance	949 708	-
Commission earned	943 555	941 768
Agency services expenditure recoverable	-	7 940
Current receipts	(1 577 774)	-
	315 489	**949 708**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Trade and other receivables from exchange transactions (continued)

Total receivables from exchange transactions	3 257 475	2 406 459
Refuse		
Current (0 - 30 Days)	218 928	462 661
31 - 60 Days	164 793	137 950
61- 90 Days	159 336	134 542
More than 90 days	10 275 745	8 815 625
Provision for Impairment	(9 560 853)	(8 440 470)
	1 257 949	**1 110 308**
Rentals		
Current (0 - 30 Days)	207 957	212 927
31 - 60 Days	414 844	121 437
61- 90 Days	20 277	11 611
More than 90 days	1 172 527	986 183
Provision for Impairment	(233 568)	(985 717)
	1 582 037	**346 441**

Summary of refuse debtors by customer classification:

Business / commercial		
Current (0 - 30 Days)	43 755	131 861
31 - 60 Days	32 445	26 770
61- 90 Days	31 443	26 271
More than 90 days	2 439 809	2 079 228
Provision for Impairment	(2 505 675)	(2 156 562)
	41 777	**107 568**
Government		
Current (0 - 30 Days)	28 550	80 078
31 - 60 Days	22 027	18 387
61- 90 Days	21 918	17 987
More than 90 days	1 064 507	689 306
	1 137 002	**805 758**
Residential		
Current (0 - 30 Days)	146 623	250 722
31 - 60 Days	110 321	92 793
61- 90 Days	105 975	90 284
More than 90 days	6 771 428	6 064 261
Provision for Impairment	(7 055 177)	(6 283 908)
	79 170	**214 152**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Trade and other receivables from exchange transactions (continued)

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed for indicators of impairment. The municipality considers that the above financial assets that are not impaired at each of the reporting dates under review are of good credit quality. The municipality continuously monitors consumers and identified groups by reference to annual payment rates and incorporates this information into its credit risk credit control. No external credit ratings is performed.

Consumers receivables from refuse removal are billed monthly. Interest is charged on overdue receivables from exchange transactions at a rate of 10% per annum.

The municipality enforces its approved credit policy to ensure the recovery of receivables. None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of trade and other receivables

Trade and other receivables	3 257 475	2 406 459

The management of the municipality is of the opinion that the carrying value of receivables approximate their fair values.

Trade and other receivables past due but not impaired

Receivables from exchange transactions which are government debt and past due are not considered to be impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	22 027	18 387
2 months past due	21 918	17 987
3 months past due	1 064 507	689 306

Trade and other receivables impaired

As of 30 June 2025, trade and other receivables of 11 263 837 (2024: 10 882 936) were impaired and provided for.

The amount of the provision was R9 794 421 as of 30 June 2025 (2024: R9 426 187).

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note 53). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The ageing of these receivables are as follows:

Reconciliation of provision for impairment of trade and other receivables - Refuse

Opening balance	8 440 470	12 188 665
Provision for impairment	1 120 383	-
Debts waived off	-	(1 725 816)
Provision for impairment - Reversal	-	(2 022 379)
	9 560 853	**8 440 470**

Reconciliation of provision for impairment of trade and other receivables -

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Trade and other receivables from exchange transactions (continued)

** During the prior year, the Council took a resolution to waive its rights to 90% of a customers debt on condition that the debtor pays off 10% of their debtor account in cash. An amount of 1 725 816 was waived, this amount was previously provided for.

6. Receivables from non-exchange transactions

Traffic Fines	448 316	780 084
Insurance claim receivable	499 680	-
Rates	12 718 104	12 829 046
	13 666 100	**13 609 130**

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Traffic fines	448 316	780 084
Rates	12 718 104	12 829 046
	13 166 420	**13 609 130**

Other non-financial asset receivables included in receivables from non-exchange transactions above are as follows:

Insurance claim receivable	499 680	-

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
6. Receivables from non-exchange transactions (continued)		
Total receivables from non-exchange transactions	13 666 100	13 609 130
Traffic fines		
Current (0 - 30 Days)	75 800	118 899
31 - 60 Days	123 890	38 300
61 - 90 Days	130 800	99 750
91 and more Days	10 530 356	9 470 423
Provision for Impairment	(10 412 530)	(8 965 399)
	448 316	**761 973**
Rates		
Current (0 - 30 Days)	1 187 520	953 752
31 - 60 Days	940 510	1 056 945
61 - 90 Days	969 108	591 917
91 - more Days	44 121 427	37 008 972
Provision for Impairment	(34 500 460)	(26 782 540)
	12 718 105	**12 829 046**
Ageing of rates per debtor type:		
Residential		
Current (0 - 30 Days)	388 079	362 629
31 - 60 Days	332 072	174 902
61 - 90 Days	319 097	158 987
91 - 120 Days	11 277 992	10 052 243
Provision for Impairment	(12 047 902)	(10 207 262)
	269 338	**541 499**
Business		
Current (0 - 30 Days)	715 956	508 522
31 - 60 Days	514 546	417 048
61 - 90 Days	490 442	372 640
91 - 120 Days	21 358 872	17 061 335
Provision for Impairment	(22 452 558)	(16 575 278)
	627 258	**1 784 267**
Government		
Current (0 - 30 Days)	83 485	82 601
31 - 60 Days	93 893	464 994
61 - 90 Days	159 570	60 290
91 - 120 Days	11 484 563	9 895 393
	11 821 511	**10 503 278**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

6. Receivables from non-exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Property Rates

Property rates-related transactions arise in terms of the Municipal Property Rates act, 6 of 2004, Municipal finance Management act, 56 of 2003, as well as the property rates policy of the municipality approved by the council as part of the budget process.

Traffic Fines

Traffic fines arise from the national road traffic Act 93 of 1996, National road traffic regulations 2000 and criminal procedure Act51 of 1977. prosecutor performs prosecutorial functions in terms of general delegation awarded by the national prosecuting Authority and is subject to the control of the control prosecutor at the Magistrate court

Determination of transaction amount

Property rates amounts are determined in line with the annual tariff list of the municipality approved by the council as part of the budget process in terms of the Municipal Finance Act 56 of 2003. Total Property Rates billed during the year and prior, refer to Note 35.

Traffic fines transaction amount are determined in line with the traffic offence code book as approved by senior magistrate. For total Traffic fines issued and recognised during the year and prior year, refer to Note 38.

Interest or other charges levied/charged

Consumers receivables from property rates billed monthly for business and residential households.Government accounts are billed annually. Interest is charged on overdue consumers receivables at a rate of 10% per annum as approved by the council. Interest charged and recognised on Property Rates outstanding, refer to Note 36.

No interest is charged on overdue traffic fines debtors.

Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess for property rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend. All the impairment losses and reversals on property rates debtors are disclosed in note 53.

Provision for impairment of traffic fine debtors will be calculated based on the payment history of traffic fines in aggregate as the municipality does not have sufficient information to calculate the payment history per debtor as with property rates and services. All the impairment losses and reversals on traffic fines debtors are disclosed in note 53.

Statutory receivables past due but not impaired

The credit quality of receivables from non-exchange transactions that are neither past n nor impaired can be assessed for indicators of impairment. The municipality considers that the above financial assets tha are not impaired at each of the reporting dates under review are of good credit quality. The municipality continuously monitors consumers and identified

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

6. Receivables from non-exchange transactions (continued)

Reconciliation of provision for impairment of receivables from non-exchange transactions - Property Rates

Opening balance	26 782 540	29 860 555
Provision for impairment	7 717 920	4 195 945
Debts waived off **	-	(7 255 859)
Other	-	(18 101)
	34 500 460	**26 782 540**

Reconciliation of provision for impairment of receivables from non-exchange transactions - Traffic fines

Opening balance	9 025 642	1 582 879
Provision for impairment	1 386 887	7 442 763
	10 412 529	**9 025 642**

** During the prior year, the Council took a resolution to waive its rights to 90% of a customers debt on condition that the debtor pays off 10% of their debtor account in cash. An amount of 11 701 209 was waived, of this, 9 985 845 had been previously provided for and the balance of R1 715 364 was not provided for and has been recognised as an expense in the current year.

Statutory receivables impaired

As of 30 June 2025, Statutory receivables of 46 304 922 (2024: 49 338 958) were impaired and provided for.

The amount of the provision was 44 912 989 as of 30 June 2025 (2024: 36 921 212).

Factors the entity considered in assessing statutory receivables impaired

The basis used to assess for property rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

Provision for impairment of traffic fine debtors will be calculated based on the payment history of traffic fines in aggregate as the municipality does not have sufficient information to calculate the payment history per debtor as with property rates and services

Reconciliation of provision for impairment for statutory receivables

Opening balance - Property Rates and Traffic Fines	36 921 212	31 425 325
Provision for impairment - Property Rates and Traffic Fines	7 991 777	11 596 574
Debt waived off - Property Rates	-	(6 082 586)
Other - Property Rates	-	(18 101)
	44 912 989	**36 921 212**

7. Prepayments

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

8. Other receivables

Receivables from Small Town Revitalisation Grant (N1)	493 571	493 571
Retensions receivable (N2)	29 100	648 088
	522 671	**1 141 659**

N1: During the 30 June 2023 period, the municipality has incurred and met all the conditions on this project, asset and creditor was recognised but the OTP has not paid the amount to the municipality as at 30 June 2025. The debt has been assessed for impairment and no evidence of impairment existed as the OTP has requested additional documents that will be used by them as support the payment.

N2: This relates to incorrect release of amount withheld as retention to a service provider during the prior year. The amount was recovered during the current year.During the current year, retention was under stated by R29 100 which was already paid to the contractor, this amount was raised as a debtor and will be recovered within 12 months.

9. VAT input accrual

VAT input accrual	4 079 421	4 801 074

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 459 275	1 670 558
Current Investments	88 731 173	64 633 831
	91 190 448	**66 304 389**

Excluded in the bank accounts listed below is the newly opened Standard Bank Investment Account number 420 111 972 which, as at 30 June 2025, had R0 balance.

Cash and cash equivalents pledged as collateral

Total cash and cash equivalents pledged as collateral for security deposit to ESKOM This guarantee is neither negotiable nor transferable and is to be returned to the bank upon payment or cancellation.	161 400	161 400

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

10. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2025	30 June 2024	30 June 2023	30 June 2025	30 June 2024	30 June 2023
FNB-Primary Account - 620-2218-3727	2 260 643	1 709 942	1 765 059	2 283 243	1 670 558	1 592 180
FNB-Service Delivery Reserve - 620-3325-4723	20 951 505	53 340	31 531 147	20 951 505	53 340	31 531 147
FNB-Operational Investment - 620-2945-0715	21 822	9 308	2 878 627	21 822	9 308	2 878 627
FNB-Municipal Infrastructure Grant(MIG) - 620-8603-6714	50 881	3 057 968	6 594 484	50 881	3 057 968	6 594 484
FNB-Guarantee Investment-620-6874-2157	175 294	162 463	334 465	175 294	162 463	334 465
FNB-Financial Management Grant (FMG) - 622-7618-7294	7 317	186 165	7 539	7 317	186 165	7 539
FNB-Electrification Programme - 622-8856-0925	4 667 611	1 136 753	351 550	4 667 611	1 136 753	351 550
FNB-Traffic Fine - 627-5889-3905	63 686	952	244 135	63 686	952	244 135
FNB-Housing Project Fund - 628-9151-9971	196	186	88 749	196	186	88 749
FNB Solidarity Fund 628-5499-2099	-	217 067	203 361	-	217 067	203 361
FNB Retention 628-6002-9000	16 773 041	4 108 217	825 571	16 773 041	3 926 615	825 571
FNB ENATIS Transactions 629-1034-4837	349 586	114 996	440 110	349 586	114 996	440 110
Nedbank - Capital Replacement 03 / 7881112786	39 675 580	36 520 208	34 013 373	39 675 580	36 752 837	34 013 373
FNB Disaster Relief 630-9365-2965	6 170 687	19 015 181	-	6 170 686	19 015 181	-
Total	**91 167 849**	**66 292 746**	**79 278 170**	**91 190 448**	**66 304 389**	**79 105 291**

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	26 825 225	-	26 825 225	26 105 040	-	26 105 040

perty - 2025

	Opening balance	Other changes, movements	Total
	26 105 040	720 185	26 825 225

perty - 2024

	Opening balance	Additions	Fair value adjustments	Total
	25 298 064	94 500	712 476	26 105 040

26 825 225 26 105 040

property pledged as security:

n required by section 63 of the Municipal Finance Management Act is available for
f the municipality.

cognised on Investment Property of the municipality at the reporting date.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

11. Investment property (continued)

Investment properties fair value determination was performed by a Independent Registered Property Valuer. Afroteam Consultants instructed by Nyalambisa Financial Services. The last valuation was performed on 30th of June 2025. The valuation methodologies used to determine the fair value was the income based approach as well as the comparable market values approach.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	5 082 618	4 955 552

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, for administration purposes, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Municipality, and the cost or fair value of the investment property can be measured reliably.

All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on Investment Property.

Impairment of Investment property

No impairment losses have been recognised on Investment property of the municipality at the reporting date.

Work-in-progress

The municipality had no capital projects for Investment property which were not completed at year-end.

Delayed projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

ıent

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
	34 005 270	-	34 005 270	34 005 270	-	34 005 270
	556 451 915	(178 930 822)	377 521 093	533 144 435	(162 686 473)	370 457 962
	1 851 297 075	(1 244 785 789)	606 511 286	1 861 048 632	(1 279 046 566)	582 002 066
	17 719 666	(9 879 686)	7 839 980	16 888 501	(8 107 450)	8 781 051
	13 812 255	(9 534 318)	4 277 937	14 688 408	(9 359 924)	5 328 484
	13 733 437	(9 247 033)	4 486 404	13 656 137	(8 151 248)	5 504 889
	32 822 681	(14 645 128)	18 177 553	33 557 541	(11 332 471)	22 225 070
	2 519 842 299	**(1 467 022 776)**	**1 052 819 523**	**2 506 988 924**	**(1 478 684 132)**	**1 028 304 792**

nt (continued)

and equipment - 2025

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
	34 005 270	-	-	-	-	-	34 005 270
	370 457 962	26 252 710	(2 198 040)	-	(15 851 412)	(1 140 127)	377 521 093
	582 002 066	97 607 736	(8 039 342)	(178 393)	(58 053 492)	(6 827 289)	606 511 286
	8 781 051	1 272 895	(51 565)	-	(2 162 401)	-	7 839 980
	5 328 484	880 048	(577 527)	-	(1 353 068)	-	4 277 937
	5 504 889	77 300	-	-	(1 095 785)	-	4 486 404
	22 225 070	701 627	(893 506)	-	(3 855 638)	-	18 177 553
	1 028 304 792	**126 792 316**	**(11 759 980)**	**(178 393)**	**(82 371 796)**	**(7 967 416)**	**1 052 819 523**

ıt (continued)

nd equipment - 2024

Opening balance	Additions	Disposals	Transfers received	Transfers in/(out)	Other changes, movements	Depreciation	Impairment loss	Total
34 005 270	-	-	-	-	-	-	-	34 005 270
327 941 496	48 842 140	-	12 560 492	-	-	(14 487 733)	(4 398 433)	370 457 962
579 948 186	101 188 287	(102 894 492)	-	84 611 430	2 459 053	(55 383 815)	(27 926 583)	582 002 066
9 415 992	1 490 454	(111 002)	-	-	-	(2 014 393)	-	8 781 051
5 989 609	995 693	(117 038)	-	-	-	(1 539 780)	-	5 328 484
6 571 557	211 769	(28 528)	-	-	-	(1 249 909)	-	5 504 889
18 039 205	7 278 532	-	-	-	-	(3 092 667)	-	22 225 070
981 911 315	**160 006 875**	**(103 151 060)**	**12 560 492**	**84 611 430**	**2 459 053**	**(77 768 297)**	**(32 325 016)**	**1 028 304 792**

of its assets as security.

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

	Depreciation method	Average useful life
	Straight-line	8-55
	Straight-line	5-10
	Straight-line	3-80
ents, ıges and stormwater)	Straight-line	3-80
	Straight-line	10-55
	Straight-line	5-80
	Straight-line	4-10
	Straight-line	2-10
)ffice Equipment	Straight-line	3-20
	Straight-line	10-15
	Straight-line	2-15

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

12. Property, plant and equipment (continued)

Compensation received/receivable for losses on property, plant and equipment – included in operating profit.

Transport assets	499 680	-

Change in estimate

A change in the estimated remaining useful lives of various assets of the Municipality based on their assessment of remaining useful lives conducted as at 30 June 2025 will result in the following decreases in depreciation for property plant and equipment in the 2025 financial year and future periods

	Computer equipment	Furniture and office equipment	Machinery and equipment	Transport assets
The impact on the statement of financial performance (Depreciation) in the 2025 financial year:	50 665	36 168	33 459	13 627
The impact on the statement of financial performance (Depreciation) in the future periods	115 030	116 589	121 501	109 014
	165 695	**152 757**	**154 960**	**122 641**

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Buildings and community assets	43 063 663	46 737 316
Infrastructure	50 785 446	53 357 851
	93 849 109	**100 095 167**

Other Information:

Refer to Note 59 for the amount of contractual commitment for the acquisition of PPE. These amounts for contracted commitments are approved and contracted.

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Fencing of EmaXesibeni Botanic Garden Phase 2 The project had been affected by unresolved Dutyini Land Claim and the municipality which have since been resolved during the 2024 financial year. The project was completed during the current financial year.	-	920 740
	-	**920 740**

Reconciliation of Work-in-Progress 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

12. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Buildings and community assets	Total
Opening balance	35 257 950	32 826 473	68 084 423
Additions/capital expenditure	101 188 322	48 842 140	150 030 462
Transferred to completed items	(83 088 421)	(34 931 297)	(118 019 718)
	53 357 851	**46 737 316**	**100 095 167**

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred included in Statement of Financial Performance:		
Contracted services	16 841 411	17 878 083

Reconciliation of Buildings and Community Assets:

Buildings	107 002 641	106 210 011
Community assets	270 518 452	264 247 951
	377 521 093	**370 457 962**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	150 000	-	150 000	150 000	-	150 000
	835 563	(772 792)	62 771	1 372 953	(1 227 031)	145 922
	985 563	**(772 792)**	**212 771**	**1 522 953**	**(1 227 031)**	**295 922**

s - 2025

	Opening balance	Disposals	Amortisation	Total
	150 000	-	-	150 000
	145 922	(13 384)	(69 767)	62 771
	295 922	**(13 384)**	**(69 767)**	**212 771**

s - 2024

	Opening balance	Disposals	Amortisation	Total
	150 000	-	-	150 000
	445 476	(78 593)	(220 961)	145 922
	595 476	**(78 593)**	**(220 961)**	**295 922**

Figures in Rand	2025	2024

13. Intangible assets (continued)

Other information

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance see Note 42.

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Intangible Assets with Indefinite Useful Lives

The municipality amortises all its Intangible Assets, but not the Website as it is considered to be constantly maintained and therefore have an indefinite economic useful life and such assets are regarded as having indefinite useful lives.
The useful lives of the Intangible Assets remain unchanged from the previous year.

Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

Work-in-Progress

The municipality had no capital projects for Intangible Assets during the year.

Delayed Projects

The municipality had no capital projects for Intangible Assets during the year.

Change in Estimate

A change in the estimated remaining useful lives of intangible assets of the Municipality based on their assessment of remaining useful lives conducted as at 30 June 2025 will result in the following decreases in depreciation for property plant and equipment in the 2025 financial year and future periods:

The impact on the statement of financial performance (Amortisation) in the 2025 financial year and future periods: R12 518.

The impact on the statement of financial performance (Depreciation) in the future periods: R50 071.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
47. Contracted services (continued)		
	84 337 540	**93 093 832**
48. Transfer and subsidies		
Bursaries for scarce skills	460 000	820 386
Non-profit organisations and community support	3 239 184	3 033 263
Expenditure incurred to electrify houses and handed over to eskom	5 831 961	849 180
SMME Development	11 361 435	13 352 570
Section 21 Schools support	1 562 844	644 692
	22 455 424	**18 700 091**
49. Operating costs		
Achievements and awards	1 178 800	1 721 090
Advertising	1 988 450	2 682 982
Auditors remuneration	4 926 276	4 482 103
Bank charges	482 451	446 227
Bursaries (Employees)	426 149	706 999
Cleaning	61 508	-
Communication	2 411 285	4 691 927
External computer services	2 003 998	1 268 233
Financial loss	-	703 521
Wet fuel	4 434 537	5 415 252
Hire charges	4 698 056	10 360 308
Indigent relief	6 790 905	4 036 613
Insurance	4 617 187	4 304 827
Learnerships and internships	337 500	374 154
Drivers licences and permits	206 052	206 773
Municipal services	5 257 294	6 472 851
Printing publications and books	748 559	555 015
Professional bodies membership and subscriptions	1 215 557	1 209 897
Registration fees	3 142 836	4 111 290
Remuneration to ward committees	4 614 076	4 658 160
Resettlement cost	11 961	3 916
Seating allowance for traditional leaders	46 695	76 218
Signage	-	207 600
Transport provided as part of departmental activities	1 821 800	1 914 220
Travel agency and visa's	770 001	785 411
Travel and subsistence	8 952 269	8 071 753
Uniform and protective clothing	1 847 947	1 837 073
Vehicle Tracking	534 775	1 075 013

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
42. Depreciation and amortisation		
Property, plant and equipment	82 371 796	77 768 297
Intangible assets	69 767	220 961
	82 441 563	**77 989 258**
43. Finance costs		
Interest on provision for landfill sites	550 629	380 270
Interest on overdue account	-	450 665
Late payment of tax	1 273 224	1 196 216
Interest on employee benefits	295 000	283 000
	2 118 853	**2 310 151**
44. Lease rentals on operating lease		
Printing Equipment		
Contractual amounts	483 603	265 189
Landlines		
Contractual amounts	565 229	579 829
	1 048 832	**845 018**
45. Inventory consumed		
Consumables	6 472 498	6 515 786

No write downs or reversals of inventory previously written down.

46. Unclaimable VAT input		
Unclaimable VAT input	1 849 849	2 347 536
47. Contracted services		
Outsourced Services		
Burial Services	18 000	-
Business and Advisory	852 853	1 877 937
Catering Services	677 845	676 382
Cleaning Services	266 300	286 180
Internal Auditors	978 917	1 150 196
Personnel and Labour	12 988 807	12 237 535
Professional Staff	-	120 000
Security Services	22 605 831	23 018 528

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

40. Employee related costs

Basic salary	64 256 664	59 890 401
Bonus	5 999 376	5 491 126
Medical aid - municipality contributions	5 718 947	4 954 550
Unemployment Insurance Fund	435 175	424 512
Workers Compensation Fund	606 134	139 221
Skills Development Levy	1 012 221	958 767
Leave pay provision charge	2 447 303	2 097 527
Defined contribution plans	10 793 484	10 132 657
Travel, motor car, accommodation, subsistence and other allowances	3 753 107	4 160 348
Overtime payments	757 944	707 614
Long-service awards	435 000	28 903
Housing benefits and allowances	2 547 309	2 591 269
Bargaining Council Levy	28 764	27 096
Standby Allowance	1 493 478	1 403 318
	100 284 906	**93 007 309**

Remuneration of Municipal Manager

Refer to Related Parties Note 61.

Remuneration of Chief Finance Officer

Refer to Related Parties Note 61.

Remuneration of other Heads of Departments.

Refer to Related Parties Note 61 for remunerations of:

- Senior Manager Local Economic Development
- Senior Manager Infrastructure and Planning
- Senior Manager Chief Operations Officer
- Senior Manager Corporate Services
- Senior Manager Community Services

41. Remuneration of councillors

Mayor	1 046 324	1 003 179
Speaker	821 954	792 620
Chief Whip	796 479	762 569
Executive Committee	5 801 320	5 586 723
Councillors	16 072 476	15 413 367
	24 538 553	**23 558 458**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

37. Government grants & subsidies (continued)

Conditions still to be met - remain liabilities (see note 17).

This grant is used to rehabilitate and reconstruct disaster damaged municipal infrastructure. This is a National Grant.

SETA Grant

Current-year receipts	223 201	238 310
Conditions met - transferred to revenue	(223 201)	(238 310)
	-	-

Conditions still to be met - remain liabilities (see note 17).

Grant received from SETA and used for employee trainings and development. All conditions met. This is a National Grant.

38. Fines, Penalties and Forfeits

Law Enforcement Fines	1 495 150	2 109 150
Pound Fees Fines	863 492	1 533 240
	2 358 642	**3 642 390**

39. Donations

Donated assets - ECDC	-	12 560 492
Cash donations - Alfred Nzo DM	150 000	86 957
	150 000	**12 647 449**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
37. Government grants & subsidies (continued)		
	-	-

Conditions still to be met - remain liabilities (see note 17).

These grants are allocated for the construction of roads. Provide for new, rehabilitation and upgrading of municipal infrastructure as part of upgrading of poor households, micro enterprises and social institutions. This is a National Grant.

Financial Management Grant

Current-year receipts	1 700 000	1 720 000
Conditions met - transferred to revenue	(1 700 000)	(1 720 000)
	-	-

Conditions still to be met - remain liabilities (see note 17).

This grant is allocated for the implementation of financial management reforms required by the MFMA. All conditions are met. This is a National Grant.

Expanded Public Works Programme Grant

Current-year receipts	2 656 000	2 917 000
Conditions met - transferred to revenue	(2 656 000)	(2 917 000)
	-	-

Conditions still to be met - remain liabilities (see note 17).

This grants is implementation of labour intensive programmes and help in creating employment in the community. All conditions met. This is a National Grant.

EPWP-Incentive Grant Fund

Current-year receipts		
Other	858 000	-
	(688 098)	-
	169 902	-

Conditions still to be met - remain liabilities (see note 17).

Provide explanations of conditions still to be met and other relevant information. This is a Provincial Grant.

Department of Sports and Recreation - Library Grant

Balance unspent at beginning of year	1 757 472	-
Current-year receipts	1 434 000	2 500 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

37. Government grants & subsidies

Operating grants		
Equitable share	289 930 000	275 356 743
Departmental agencies and accounts (SETA)	223 201	238 310
Expanded Public Works Programme (EPWP)	2 656 000	2 917 000
Provincial Arts and Culture grants - Library	2 869 954	742 528
Finance Management Grant (FMG)	1 700 000	1 720 000
Disaster Relief Management Grant	-	3 500 000
EPWP - Incentive Grant Fund	688 098	-
	298 067 253	**284 474 581**
Capital grants		
Municipal Infrastructure Grant	54 199 000	51 384 000
Municipal Disaster Recovery Grant	36 575 345	26 049 655
	90 774 345	**77 433 655**
	388 841 598	**361 908 236**

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	87 695 000	94 298 000
Unconditional grants received	290 153 201	275 484 310
	377 848 201	**369 782 310**
National Governments		
Balance unspent at beginning of year	9 727 345	3 610 743
Current-year receipts	375 556 201	367 282 310
Conditions met - transferred to revenue	(385 283 546)	(361 165 708)
	-	**9 727 345**
Provincial governments		
Balance unspent at beginning of year	1 757 472	-
Current-year receipts	2 292 000	2 500 000
Conditions met - transferred to revenue	(3 558 052)	(742 528)
	491 420	**1 757 472**

Conditions still to be met - remain liabilities (see note 17).

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members and funding of municipal operations.This is a National Grant.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
35. Property rates		
Rates received		
Property rates	64 664 732	46 521 963
Property rates billing per customer classification		
Residential	2 431 312	1 383 434
Business and Commercial	7 306 821	4 395 515
Vacant land	857 883	440 610
Public Service Purpose	54 068 716	40 296 523
Public Service Infrastructure	-	5 881
Places of Worship	-	-
Municipal Properties	-	-
	64 664 732	**46 521 963**

Annual valuation are processed on a continuous basis to take into account changes in individual property values due to alterations and subdivisions. Rates tariffs applicable are as shown in the table below.

Rates are levied monthly on property owners. Property owners can request that the full amount for the year be raised in July. Interest is levied at a rate of 10% per annum as determined by council on outstanding rates amounts.

Places of Worship are exempted from the payment of rates, while the first R15 000 of the valuation on improved residential and vacant properties exempted from payment of rates.

An additional rebate of 25% of the current year rates are allowed for senior citizens, disabled persons and medically boarded property owners.

Tariff structure		
Agricultural	0,0024	0,0015
Residential	0,0096	0,0058
Business and Commercial	0,0192	0,0140
Vacant land	0,0287	0,0140
Public Service Purpose	0,0239	0,0186
Public service Infrastructure	0,0024	0,0015
	-	-
Valuations		
Residential	337 893 000	314 909 200
Business and Commercial	380 544 000	349 193 000
Vacant land	70 891 700	36 387 100
Public Service Purpose	2 190 072 773	2 163 018 973
Public Service Infrastructure	1 860 000	4 192 100
Places of Worship	45 014 000	42 267 800
Municipal Properties	129 333 600	87 460 500
RDP	127 055 000	10 588 300

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
33. Recoveries		
Recovery of stolen deposits	102 000	-
Bursary refund	92 238	-
	194 238	**-**
34. Other operational income		
Sundry income	112 630	179 148

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

28. Construction contracts (continued)

ULM is a a party to a contruction contract with Department of Human Settlement. ULM performs construction of housing for the selected households on behalf of the Department of Human Settlement as per the existing construction contract.

Agreements that meet all the criteria in paragraph .29 of GRAP9

The municipality recognise revenue using the percentage of completion method for agreements that meet all the criteria in paragraph .29 of GRAP 9 (Revenue from Exchange Transactions), continuously as construction progresses.

The entity determines which agreements meet all the criteria in paragraph .29 of the Standard of GRAP on Revenue from Exchange Transactions continuously as construction progresses in the following manner:

No retention held on Human settlement projects.

The amount of revenue arising from such agreements in the period	46 280 523	38 092 776

The methods used to determine the stage of completion of agreements in progress is as follows:

- by the accumulative actual work performed i.e contract cost divide by contract price during the reporting period.

The aggregate amount of costs incurred for agreements in progress	46 280 523	38 092 776
Amount of retentions withheld: Department of Energy	2 153 087	-
Amount of advances received for agreements in progress: Department of Energy	1 746 050	-

29. Rental of facilities and equipment

Premises		
Premises	5 082 618	4 955 552
Facilities and equipment		
Adhoc rental income from other assets	343 436	184 077
	5 426 054	**5 139 629**

Included in the above rentals are operating lease rentals at straight-lined amounts of 2 624 973 (2024: 2 738 445), and no contigent rentals are recognised.

Rental income generated are at market related premiums. All rental income recognised is therefore market related.

30. Interest received - Exchange Transactions

Interest received - debtors	539 383	600 377
Interest received - current account	472 991	643 263
Interest received - investments	10 035 037	9 482 649

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

24. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Property rates	64 664 732	46 521 963
Licences or permits	223 413	158 059
Interest, Dividends and Rent on Land	4 696 289	2 114 413
Transfer revenue		
Government grants & subsidies	388 841 598	361 908 236
Fines, Penalties and Forfeits	2 358 642	3 642 390
Donations	150 000	12 647 449
	460 934 674	**426 992 510**

25. Sale of goods and other services

Advertisement	167 048	47 152
Building plans and land use fees	181 422	164 507
Cemetery and burials	17 499	14 950
Clearance certificate	5 202	6 474
Sale of goods and services	18 132	16 249
	389 303	**249 332**

26. Service charges

Refuse removal	1 360 462	1 296 952

The amounts disclosed above for revenue from Service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

27. Commission income

Commision earned	820 484	818 929

The Municipality has an agreement with the Eastern Cape Department of Human Settlement toimplementing housing projects on behalf of it. In this agreement between Eastern Cape Department of Human Settlements and the municipality, transactions are done with a third party in building the houses on behalf of the Department. The municipality is responsible for the procurement and the management of the contract.

The amount received from the Department that remained unspent at the end of the reporting period was R0 (2024: R0) vat inclusive, and the municipality has paid an amount of R0 (2024: R7 839) on behalf of the Department. The department did not transfer any risks to the municipality in this arrangement. A total of R26 949 428 (2024: R2 482 200) was spent on behalf of the principal during the current reporting period.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

21. Provisions (continued)

Key Actuarial Assumptions used are as follows:	2025	2024	2023	2022	2021
Discount rate (DMR)	6%	11.5%	16.62%	11.05%	10.81%
Consumer price inflation	6%	4.9%	7.39%	7.23%	7.07%
Net Discount rate	6%	4.87%	4.87%	3.56%	3.5%
Remaining life of site in years: Mt Frere	35	36	37	35	36
Remaining life of site in years : Mt Ayliff	8	9	10	11	12

22. Capital replacement reserve

Capital replacement reserve opening balance	36 752 837	34 013 373
Transfer into capital replacement reserve (interest earned)	3 607 113	2 739 464
	40 359 950	**36 752 837**

23. Accumulated surplus

Accumulated Surplus/(Deficit) due to the results of operations		
Accumulated Surplus	1 092 269 397	1 034 183 909

24. Revenue

Sale of goods		
Rendering of services	389 303	249 332
Service charges	820 484	818 929
Construction contracts	1 360 462	1 296 952
Rental of facilities and equipment	46 280 523	38 092 776
Interest received	5 426 054	5 139 629
Agency services	11 047 411	10 726 289
Licences and permits	2 364 094	2 360 443
Acturial gains	2 163 878	1 921 051
Fair value adjustments	-	4 190
Licences and Permits - non-exchange transactions	-	712 476
Operational revenue	150 835	158 059
Property rates	112 630	179 148
Interest received - Non-exchange	64 664 732	46 521 963
Government grants and subsidies	4 696 289	2 114 413
Fines, Penalties and Forfeits	388 841 598	361 908 236
Donations	2 358 642	3 642 390
	150 000	12 647 449
	530 826 935	**488 493 725**

The amount included in revenue arising from exchanges of goods or services are as follows:

Notes to the Annual Financial Statements

Figures in Rand				2025	2024
18. Employee benefits obligations (continued)					
Central assumptions		425 000	298 000	723 000	
General earnings inflation rate	+1%	451 000	313 000	764 000	+6%
	-1%	401 000	283 000	648 000	-5%
Discount rate	+1%	404 000	312 000	716 000	-1%
	-1%	448 000	281 000	729 000	+1%
Average retirement age	+2 yrs	432 000	303 000	735 000	+2%
	-2 yrs	404 000	280 000	684 000	-5%
Rates of termination of service	x2	323 000	240 000	563 000	-22%
	x0.5	493 000	335 000	828 000	+15

19. VAT output accrual

VAT output accrual	1 271 283	1 115 003
VAT output accrual - provision for debt impairment	(1 085 227)	(935 814)
	186 056	**179 189**

VAT output accrual relates to VAT on Service charges receivable that have not yet been received at year end and the vat on provision for impairment on those receivables.

20. VAT payable

VAT Control	13 331 146	9 531 686

VAT Payable is a statutory arrangement.

21. Provisions

Current liabilities	-	-
Non-current liabilities	9 549 388	9 177 152
	9 549 388	**9 177 152**

Reconciliation of provision for environmental rehabilitation		
Opening balance	9 177 152	6 337 829
Change in discount factor	(178 393)	2 459 053
Interest cost	550 629	380 270
	9 549 388	**9 177 152**

The municipality operates two landfill sites situated at emaXesibeni (Mount Ayliff) and kwaBhaca (Mount Frere). In accordance with legislation and to comply with the Department of Water Affairs (DWA) and Department of Economic Development and Environmental Affairs (DEDEAT) on the landfill waste sites, the municipality raises a provision every year for the estimated cost of rehabilitating the land over which the sites are situated.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

18. Employee benefits obligations (continued)
The amounts recognised in the Statement of Financial Performance are:

Employee related costs - Current Service Cost	435 000	414 000
Finance Charges - Interest Cost	295 000	283 000
Actuarial Losses / (Gain)	(12 651)	(4 190)
Expected benefits vesting / paid during the year (N1)	(289 349)	(675 810)
	428 000	**17 000**

N1 - This is the total value of the long-service awards that were expected to be awarded to eligible employees over the year, based on the data at the previous valuation date. Employees are usually entitled to take this award in whole or in part as cash, with the remainder taken as leave. Therefore, this figure should not be confused as being only the amount of cash paid out in respect of the award. It represents the amount actually paid out in cash and the portion that was either taken or "stored" as leave.

If the actual amount of benefits vested is to be included instead in the above table, then the Actuarial Loss / (Gain) must change to exactly offset the impact, such that the Closing Accrued Liability remains unchanged. For example, if the actual amount of benefits vested was R100,000 lower than the estimate (based on last year's data), then the Actuarial Loss / (Gain) would have to reduce by R100,000 to leave the Closing Accrued Liability as is.

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption				
Central assumptions		% Change	Liability 3 351 000	% Change
General earnings inflation rate		+1%	3 513 000	+5%
		-1%	3 201 000	-4%
Discount rate		+1%	3 195 000	-5%
		-1%	3 522 000	+5%
Average retirement age		+2 years	3 410 000	+2%
		-2 years	3 161 000	-6%
Rates of termination of service		x2	2 743 000	-18%
		x0.5	3 741 000	+12%

Sensitivity Analysis on Current-Service and Interest Costs for year ending 30 June 2025 and 30 June 2026.

Assumptions: 30 June 2025	% Change	Current Service Cost	Interest Cost	Total costs	Change
Central assumptions		435 000	295 000	730 000	-
General earnings inflation rate	+1%	461 000	310 000	771 000	+6%
	-1%	410 000	280 000	690 000	-5%
Discount rate	+1%	413 000	305 000	718 000	-2%

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

18. Employee benefits obligations (continued)

A performance bonus, is for senior managers and managers. It is not guaranteed and as it is based on the achievements of the individual against the targets set out in his/her performance agreement. The payment of bonuses is purely based on performance then there is no legal obligation on a municipality to make such payments.

However a constructive obligation is created through the assessment of employees' performance throughout the year and the fact that the municipality has a practice of paying performance bonuses.

Long service awards liability

Long Service Awards are provided to employees who achieve certain predetermined milestones of service within the municipality.

The following members are eligible for long service bonuses:

In-service members	160	160

Eligible Employees	Female	Male	Total
Number of eligible employees	93	67	160
Average annual earnings	R 268 319	R 265 519	R 267 146
Average age	43,2	44,4	43,7
Average past service	10,8	10,5	10,7

The earnings disclosed above and used in the valuation include an increase of 5.01% as at 1 July 2025, as per the SALGBC Circular No.: 01/2025.

Unfunded Accrued Liability

Total value of liabilities	3 351 000	2 923 000
Value of assets	-	-
	3 351 000	**2 923 000**
Expected current portion of liability (due within 12 months)	470 000	446 000
Expected non-current portion of liability (due thereafter)	2 881 000	2 477 000
	3 351 000	**2 923 000**

Key Actuarial Assumptions used are as follows:

Discount rate	9,60 %	10,89 %
General Salary Inflation (long-term)	4,60 %	6,00 %
CPI inflation rate	3,60 %	5,00 %
Net Effective Discount Rate applied to salary-related Long Service	4,80 %	4,62 %
Average retirement age	62	62

ns

fits obligations - 2025

	Opening Balance	Additions	Utilised during the period	Interest costs	Actuarial gain	Total
	2 590 529	2 891 890	(2 590 529)	-	-	2 891 890
	9 348 863	2 201 663	(1 730 719)	-	-	9 819 807
	771 386	920 966	(771 386)	-	-	920 966
	2 923 000	435 000	(289 349)	295 000	(12 651)	3 351 000
	15 633 778	**6 449 519**	**(5 381 983)**	**295 000**	**(12 651)**	**16 983 663**

fits obligations - 2024

	Opening Balance	Additions	Utilised during the period	Interest costs	Actuarial gain	Total
	2 618 973	2 590 529	(2 618 973)	-	-	2 590 529
	9 543 488	1 884 120	(2 078 745)	-	-	9 348 863
	754 527	771 386	(754 527)	-	-	771 386
	2 906 000	414 000	(675 810)	283 000	(4 190)	2 923 000
	15 822 988	**5 660 035**	**(6 128 055)**	**283 000**	**(4 190)**	**15 633 778**

2 881 000	2 477 000
14 102 663	13 156 778
16 983 663	**15 633 778**

he municipality on an annual basis, subject to certain conditions. The liability is an
eporting date.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

15. Trade and other payables from exchange transactions

Trade payables	32 924 263	35 542 891
Accruals	5 996 856	14 866 049
Retention	13 756 139	12 099 984
Department of Transport	754 906	492 870
Income received in advance - construction contract	1 746 050	-
Income received in advance - land sales	1 412 343	-
	56 590 557	**63 001 794**

16. Consumer deposits

Rental Deposits	206 981	175 871

17. Trade and other payables from non-exchange transactions

Trade and other Payables from Non-Exchange Transactions comprises of:

Trade and other payables from non-exchange transactions		
Unspent conditional grants and receipts	491 420	11 484 817
Debtors with credit balances	3 303 378	6 611 283
	3 794 798	**18 096 100**

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
EPWP-Incentive Grant Fund	169 902	-
Department of Sports and Recreation - Library Grant	321 518	1 757 472
Municipal Disaster Recovery Grant	-	9 727 345
	491 420	**11 484 817**

Movement during the year

Balance at the beginning of the year	11 484 817	3 610 742
Additions during the year	87 695 000	94 298 000
Income recognition during the year	(98 688 397)	(86 423 925)
	491 420	**11 484 817**

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

ccounted for according to the cost model and therefore no fair value has been determined.

for Heritage Assets during the year.

for Heritage Assets during the year.

	2025			2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
	17 719	-	17 719	17 719	-	17 719

025

	Opening balance	Total
	17 719	17 719

024

	Opening balance	Total
	17 719	17 719

ts are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

ritage Assets of the municipality.

tage Asset have an indefinite life and their value appreciates over time due to their cultural, environmental, educational, natural scientific, nificance; and shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any estimate the recoverable amount or the recoverable service amount of the heritage asset.

gnised on Heritage Assets of the municipality at the reporting date.

nition using the Cost Model

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
62. SCM regulation 45 disclosures (continued)		
Nande 23 Projects Related person: Mr. L. Bingwa Company Capacity: Owner (Spouse) Municipal Capacity: Official	5 000	-
Myoza Myoza Related person: Mrs. B. Jokazi Company Capacity: Owner (Spouse) Municipal Capacity: Official	6 338 698	3 527 180
Glen Hope Trading Enterprise Related person: Mrs. N. Zembe Company Capacity: Owner (Spouse) Municipal Capacity: Official	-	6 216 710
Phakamihle Trading JV Nande 23 Projects Related person: Mr. L. Bingwa Company Capacity: Owner (Spouse) Municipal Capacity: Official	950 000	-
Aphola Trading Related person: T Mpurwana Company Capacity: Owner (Spouse) Department of Sport: Official	305 900	-
	10 772 804	**10 500 650**

63. Unauthorised expenditure

Opening balance as previously reported	-	11 030 132
Add: Unauthorised expenditure - prior period	-	623 511
Less: Amount written off	-	(11 653 643)
Closing balance	**-**	**-**

2024 financial year:

An investigation was performed by the MPAC during the 2024 financial on an unauthorised expenditure incurred during the 2023 financial year. On the 26th June 2024 as per Council Resolution CR 060/2023/2024 it was resolved that an amount of R11 653 643 be written off by Council.

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	-	11 653 643

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

62. SCM regulation 45 disclosures

The detail listed below is disclosed in terms of Supply Chain Management Policy that determines that the municipality must disclose particulars of any awards of more than R2 000 to a person who is a spouse, child or parent of a person in service of the state or has been in service of the state in the previous twelve months.

The municipality bought goods from the following companies, where the directors are (related to) government officials.

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length:

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

Mfalo Farming and Projects Related person: S. Tshekela Company Capacity: Owner (Spouse) Municipal Capacity: Official	-	237 188
Nomako Trading and Construction Related person: P. Conjwa Company Capacity: Owner (Daughter) Municipal Capacity: Official	-	50 995
Lihlume Ilizwe Trading Related person: Ntlamba Company Capacity: Owner (Spouse) Municipal Capacity: Official	29 500	298 590
Brothery Love Trading and Projects Related person: Mrs. N. Zembe Company Capacity: Owner (Spouse) Municipal Capacity: Official	-	169 986
SMS Mobile PTY Ltd Related person: N. J. Maqulai Company Capacity: Owner (Spouse) Municipal Capacity: Official	-	1

*This is rates based contract, the R1 is for reporting purposes as R0 is not reportable in this note.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

61. Related parties (continued)

Management class: Councillors

2025

Name	Basic salary	Other allowances	Allowances	Contributions to funds	Total
Executive Mayor - Cllr Z Ndevu	526 121	47 022	324 279	148 901	1 046 323
Speaker - Cllr N Nomnganga (N1)	45 394	-	23 786	3 535	72 715
Speaker - Cllr S Mathebe (N1)	104 023	-	75 941	13 664	193 628
Speaker - Cllr N Mdzinwa (N1)	261 186	47 000	167 610	79 814	555 610
Chief whip -Cllr FN Ngonyolo	394 592	47 000	249 731	105 155	796 478
Executive committee	2 831 779	423 170	1 973 779	572 592	5 801 320
Councillors	7 412 269	1 993 735	5 446 197	1 220 278	16 072 479
	11 575 364	**2 557 927**	**8 261 323**	**2 143 939**	**24 538 553**

2024

Name	Basic salary	Allowances	Contributions to funds	Total
Executive Mayor - Cllr Z Ndevu	498 095	365 503	139 581	1 003 179
Speaker - Cllr N Nomnganga (N1)	351 270	331 654	50 284	733 208
Speaker - Cllr HM Ngqasa (N1)	29 556	21 983	7 873	59 412
Chief whip -Cllr FN Ngonyolo	373 572	293 962	95 034	762 568
Executive committee	2 699 493	2 325 102	562 128	5 586 723
Councillors	7 006 127	7 224 969	1 182 272	15 413 368
	10 958 113	**10 563 173**	**2 037 172**	**23 558 458**

Councillors were compensated within the limits set by the Remuneration of Public Office Bearers Act No 20 of 1998.

In-kind Benefits

Councillors may utilise official Council transportation when engaged in official duties.

The Executive Mayor and Speaker have use of Council owned vehicles for official duties.

Notes

N1 - Cllr N Nomnganga was appointed from the 1st of August 2023 and resigned on the 08th of July 2024. Cllr S Mathebe was appointed from the 22nd of July 2024 and has resigned on the 20th October 2024. Cllr N Mdzinwa was appointed on the 21st of October 2024 and is still the speaker of the council.

	2025	2024

inued)

Senior Manager Infrastructure and Planning ended on 31 August 2023 and was reappointed in December 2023.

cted as Senior Manager Infrastructure and Planning from September 2023 to November 2023, Furthermore, Madotyeni-Ngcongca's contract as Senior s ended in April 2024.

or Manager Corporate Services from May 2024 to 31 December 2024 and Mrs N. Kubone was appointed as Senior Manager Corporate Services from 01

m ended on 31 March 2025 and Mr BJ Ntlamba acted as Senior Manager Community Services from 01 April 2025

	2025						2024
	Basic salary	Termination benefits	Car and other allowances	Annual bonuses	Acting allowances	Contribution to funds	Total
GPT Nota	887 050	-	482 174	145 731	-	2 262	1 517 217
Officer - K Mehlomakhulu (N1)	310 167	-	180 931	-	-	1 131	492 229
Officer - FT Fundira (N2)	109 841	117 636	32 991	118 968	-	189	379 625
ancial Officer - S Mbusi (N3)	-	-	-	-	43 808	-	43 808
Local Economic Development - A	293 692	-	180 931	-	16 475	1 131	492 229
Local Economic Development - SC	222 952	135 779	98 972	47 130	-	566	505 399
Infrastructure and Planning - LJ	528 258	90 534	277 068	42 417	-	1 697	939 974
Chief Operations Officer - N Zembe	731 954	-	395 889	189 455	-	2 262	1 319 560
Corporate Services - TT Madotyeni-	640 563	88 801	342 579	137 225	4 242	2 239	1 215 649
anager Corporate Services - T	-	-	-	-	21 563	-	21 563
Community Services - KP Dlamini-	731 954	-	395 889	133 428	-	2 262	1 263 533
	4 456 431	**432 750**	**2 387 424**	**814 354**	**86 088**	**13 739**	**8 190 786**

ts"

as the Chief Financial Officer from 1 January 2024.

ancial Officer ended on 31 of July 2023.

Officer from 1 August 2023 to 31 December 2023.

nior Manager for Local Economic Development from 1 January 2024. He also acted in the position in December 2023 before his appointment.

anager Local Economic Development ended on 30 September 2023.

	2025	2024

r and Heads of Departments

	Basic salary	Termination benefits	Car and other allowances	Bonuses	Acting allowances	Contribution to funds	Total
	919 664	-	498 086	71 155	-	2 269	1 491 174
:er - K Mehlomakhulu	667 182	-	373 803	48 950	-	2 269	1 092 204
ial Officer - T Fundira (N2)	4 650	-	-	95 014	-	-	99 664
:al Economic Development - A.	667 182	-	373 803	48 950	-	2 269	1 092 204
ger Local Economic	13 950	-	-	-	-	-	13 950
astructure and Planning - LJ	680 878	-	373 804	53 400	-	2 269	1 110 351
ef Operations Officer - N Zembe	758 731	-	408 954	135 338	-	2 269	1 305 292
'porate Services - N. Kubone	320 403	-	186 903	-	-	1 134	508 440
'porate Services - TT Madotyeni-	48 367	-	-	58 818	-	354	107 539
mmunity Services - KP Dlamini-	583 465	84 174	306 716	77 896	-	1 879	1 054 130
ger Corporate Services - T	-	-	-	-	38 401	-	38 401
ger Community Services - BJ.	-	-	-	-	31 352	-	31 352
	4 664 472	**84 174**	**2 522 069**	**589 521**	**69 753**	**14 712**	**7 944 701**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

61. Related parties (continued)

Leave accrual owed to Executive Management		
Manager - GPT Nota	91 079	130 925
Senior Manager Infrastructure and Planning - LJ Moleko	98 149	46 992
Senior Manager Chief Operations Officer - N Zembe	112 170	88 802
Senior Manager Corporate Services - N Kubone	27 715	-
Senior Manager Local Economic Development - AR Makanda	112 170	50 965
Chief Financial Officer- K Mehlomakhulu	112 170	50 965
Senior Manager Community Services - KP Dlamini-Tshazi	-	112 217

Staff Leave accrues to the staff of the municipality on an annual basis, subject to certain conditions. The liability is an estimate of the amount due at the reporting date.

The cost of leave accrual is recognised in the period in which the service is rendered and are not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The entity measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The leave accrual is expected to be paid out through the compensated absence of employees in the next 12 months or upon termination of the contract, whichever comes first.

No leave encashment is made unless an employee has left the municipality.

There are no assets that have been set aside for the leave accrual, these are provided for through the three year MTREF budgeting of employee costs.

Provision for bonus		
Manager - GPT Nota	41 507	41 507
Chief Financial Officer - K Mehlomakhulu	31 150	26 700
Senior Manager Infrastructure and Planning - LJ Moleko	31 150	31 150
Senior Manager Chief Operations Officer - N Zembe	34 080	34 080
Senior Manager Corporate Services - N Kobone	26 700	-
Senior Manager Community Services - KP Dlamini-Tshazi	-	34 080
Senior Manager Local Economic Development - A Makanda	31 150	26 700

The above amounts have not yet been paid to the managers.

Key management information

Class	**Description**	**Number**
Mayor	Mayor	1
	Municipal Manager	1

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

61. Related parties

Relationships
Accounting Officer — Refer to accounting officers' report note

Related party transactions and balances

Staff and councilors debts and billings

Cllr N Mdzinwa	1 289	332
Cllr N Garane	611	1 736
GPT Nota (Municipal Manager)	(400)	5 850
AR Makanda (Senior Manager Local Economic Development)	(191)	434
Billing: Cllr N Mdzinwa	7 704	5 221
Billing: Cllr N Garane	6 888	4 757
Billing: GPT Nota (Municipal Manager)	5 868	4 035
Billing: AR Makanda (Senior Manager Local Economic Development)	538	415

The services rendered to Related Parties are charged at approved tariffs that were advertised to the public. No bad debts were written off or recognised in respect of amounts owed by related parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer deposits were received from Councillors, the Municipal Manager and Section 57 personnel. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Purchases from Related Parties - GRAP 20 disclosure
The municipality bought goods from the following companies, which are considered to be Related Parties:

The transactions were concluded in full compliance with the municipality's Supply Chain Management Policy and the transactions are considered to be at arm's length.

The related parties to the below companies were not involved in procurement processes undertaken in appointing them.

Glenhope Trading Related person: Qaba Zembe Company Capacity: Owner (wife) Municipal Capacity: Snr Manager	1 806 994	3 436 710
Moepangauta T/A Madlanga Partner Related person: L. Madlanga Company Capacity: Owner (Brother) Municipal Capacity: Official	1 787 929	1 104 840
Brothery Love Trading and Projects Related person: Qaba Zembe Company Capacity: Owner (wife) Municipal Capacity: Snr Manager	-	169 986

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
60. Contingencies (continued)		
Nikitha Matiba Ntanja vs Umzimvubu Local Municipality: High Court case no :3630/2023 This is an eviction matter where ULM is an interested party. The matter is still pending before the High Court, the applicant is to set down the matter.	200 000	200 000
Umzimvubu Local Municipality// Unknown occupiers: High Court case no 564/2025 Application brought in court by the municipality for eviction orders against unknown unlawful occupiers in Mount Ayliff. Notices have been issued by the court and served by the sheriff. Matter has become opposed. Status ongoing.	500 000	-
Napoleon Gxumisa vs Umzimvubu Local Municipality: High Court case no :4026/2023 The is an eviction matter between two parties and. the Municipality is being cited for compliance purposes. The matter last appeared on the 28th of November 2023 and subsequently removed from the roll. Matter still pending before the High Court.	200 000	200 000
Bulelani Mvundlela vs Umzimvubu Local Municipality The plaintiff Bulelani Mvundlela has instituted damages claim against the municipality resulting from storm water damage to plaintiffs property due to defective drainage systems in the area. The plaintiff in this matter is deceased and therefore the action matter cannot proceed in terms of rule 52 of the Magistrate court rules. The matter is therefore finalised	-	500 000
Victoria Vuyokazi Ndobeni and others case: High Court case no 4978/2024 This is a rescission application brought against a court order which was granted in favour of the municipality to demolish unlawful structures in the remainder of erf 351. The municipality has filed its answering affidavit and is awaiting a replying affidavit from the applicants.	200 000	-
Umzimvubu Local Municipality vs Lwazi Masiko and others - High Court Case no: 3301/2023 The Municipality as applicants in this matter sought an order declaring that the buildings, structure and rudimentary structures upon the remainder of ERF 188 Mount Ayliff are illegal. An intervention application was brought by Mr, Makala and others which varied the final that was initially obtained into a Rule Nisi. The intervening parties failed to file any further papers. The matter is to be set down for finalization. STATUS: ONGOING.	150 000	150 000
Nothemba Manxusa vs Umzimvubu Local Municipality - Case no : 3209/2023 The applicant Nothemba Manxusa sought a recession application against the initial order which was granted against the respondent in the main application bearing the case number 3209/2019 on grounds that it was fraudulently granted to the applicant.The applicant was granted leave to withdraw the matter and directed to pay the wasted costs of all parties. Matter is finalised	-	200 000
	400 000	400 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
60. Contingencies (continued)		
Nomagalati Dyantyi vs Umzimvubu Local Municipality: High Court Case no : 163/2022 The Applicant is seeking an order for the eviction of the second respondent from the residential homestead no 41 at Badibanise administrative area Mount Frere. The municipality is cited herein only for comply purposes in terms of the PIE Act. The matter was before court on 29 July 2022, it was removed from the roll. There is no progress from the applicants attorney since then.	200 000	200 000
Siphokazi Ndevu//ULM in RE: ULM//Siphokazi Ndevu;Uknown Illegal invaders and Station commisioner of mount frere police station: High Court case no 1786/2025 This a recession application where the municipality is a respondent. Matter stems froman urgent application made by the municipality for an interdict against unlawful occupiers of ERF 351, Papanana location, Mount Frere. STATUS: ONGOING.	200 000	-
Umzimvubu Local Municipality// Unknown occupiers: High Court case no 563/2025 Application brought in court by the municipality for eviction orders against unknown unlawful occupiers in Mount Ayliff. Notices have been issued by the court and served by the sheriff. Matter has become opposed. Status ongoing.	500 000	-
Nduku Mbonisi vs Umzimvubu Local Municipality: Magistrate Court- Case no;106/2023 Yandu Consulting Engineers are claiming fees owed by the municipality under contract number: UMZ/2014/-15/INFRA/MIG/035, designing of Mandileni Cluster Sports Facility. Amount claimed is R266 868.09. The Plaintiff has issued summons and the matter is being defendant. The Municipality has filed a special plea in respect to this matter. STATUS: ONGOING.	500 000	500 000
Umzimvubu Local Municipality vs Andiswa Ketwa and Others - Case no : 3525/2024 The municipality is an applicant in this matter seeking a demolition order over the unlawful invasion and building of structures on ERF 351, KwaBhaca. Judgment was granted in favour of the municipality and the order has since been executed. Matter is thus now finalised.	-	200 000
SGM Tyres and Car wash vs Umzimvubu Local Municipality: High Court Case no:4244/2023 The applicant SGM TYRES and car wash cooperative have approached the high court in effort to interdict and set aside the awarding of the tender of supplying uniforms by FG Uniforms CC to ULM. The Municipalities external attorneys have opposed the matter. Part A of the application has been granted in favour of the applicant which was to interdict the process of supplying the Uniform by FG Uniforms. Part B of the application in which the applicant sought to set aside the awarding of the tender in its entirety and was argued on the 12th of June 2025. The matter was however postponed due to the record of the decisions missing and costs were reserved. STATUS: ONGOING.	250 000	250 000
Cecil Nomvume Makaula and others vs Umzimvubu Local Municipality - High Court	500 000	500 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
60. Contingencies (continued)		
Nokuzola Christella Canca v ULM: High Court - Case no. 5981/2022 The Applicant Mrs. NC Canca seeks an order declaring the decision of the Municipality to approve the building plans of ERF 242 (KwaBhaca Mall) as unlawful, illegal and irregular and stands to be reviewed and set aside as such decision is in contravention of the Municipality's SPLUMA By-laws. The Municipality has filed its intention to oppose and is in the process of finalising its answering affidavit. STATUS: Ongoing	500 000	500 000
Umzimvubu Local Municipality// Unknown occupiers: High Court case no 562/2025 Application brought in court by the municipality for eviction orders against unknown unlawful occupiers in Mount Ayliff. Notices have been issued by the court and served by the sheriff. Matter has become opposed. Status ongoing.	500 000	-
Makalala Mbulawa vs Umzimvubu Local Municipality High Court - Case no. 1420/2023 The applicant claims damages which amount to R900 000 as a result of alleged unlawful conduct which include assault and arrest by the employees of the defendant (ULM) while conducting evictions on ERF 188 EmaXesibeni. Matter has been consolidated to Sibusisi Bonakele & others vs Umzimvubu Local Municipality - High Court - Case no: 1443/2023.	-	200 000
Bhekinkosi Makhasana vs Umzimvubu Local Municipality - High Court - Case no: 1441/2023 The applicant claims damages which amount to R 1000 000 as a result of alleged unlawful conduct which include assault and arrest by the employees of the defendant (ULM) while conducting evictions on ERF 188 EmaXesibeni. Matter has been consolidated to Sibusisi Bonakele & others vs Umzimvubu Local Municipality - High Court - Case no: 1443/2023.	-	200 000
Ngubela Malibaba vs Umzimvubu Local Municipality - High Court - Case no: 1419/2023 The applicant claims damages which amount to R1 200 000 as a result of alleged unlawful conduct which include assault and arrest by the employees of the defendant (ULM) while conducting evictions on ERF 188 EmaXesibeni. Matter has been consolidated to Sibusisi Bonakele & others vs Umzimvubu Local Municipality - High Court - Case no: 1443/2023.	-	200 000
Nelisiwe Nkalitshana vs Umzimvubu Local Municipality - High Court - Case no: 1442/2023 The applicant claims damages which amount to R1 100 000 as a result of alleged unlawful conduct which include assault and arrest by the employees of the defendant (ULM) while conducting evictions on ERF 188 EmaXesibeni. Matter has been consolidated to Sibusisi Bonakele & others vs Umzimvubu Local Municipality - High	-	200 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
60. Contingencies (continued)		
Dumisile Yozi vs Umzimvubu Local Municipality The plaintiff intends to sue the Municipality for damages amounting to R300 000 as a result of unlawful conduct he was subjected to by the Municipality's law enforcement officers. Notice of intention to institute legal proceedings received. The matter has prescribed in terms of the prescription act given that no summons were issued three years after a letter of demand was sent to the municipality. The matter is therefore finalised.	-	300 000
Fikile Bhekizulu vs Umzimvubu Local Municipality and others Application to declare immovable property belonging to the respondent that of the applicant as well as compelling the deed register to effect a rectification transfer. Matter has been finalised.	-	500 000
Lindani Mzondo and Minister of Police // Umzimvubu Local Municipality: Magistrate case no: 159/2024 The municipality is the defendant in this matter. The plaintiff claims unlawful arrest and unlawful detention by the members of the Traffic Department and Police. The matter is still pending before the mount frere regional court.	150 000	-
Ayalneh Mandefra Fantaye vs Umzimvubu Local Municipality Notice of intention to institute legal proceedings received pertaining allegations of motor collision by Municipal vehicle. Letter by the municipal legal representatives denying liability on the part of the municipality and further requesting proof that the persons mentioned in the Letter of Demand are indeed the employees of the Municipality was dispatched to the Plaintiff. The matter has prescribed in terms of the prescription act given that no summons were issued three years after a letter of demand was sent to the municipality. The matter is therefore finalised.	- -	- 650 000
Siti Cargo vs Umzimvubu Local Municipality Damages of R5 861 678 allegedly suffered by the plaintiff in respect of the termination of contract, contract number: UMZ/2018/19/INFRA/MIG/005 for construction of Silindini bridge. The municipality is defending the matter ,has drafted its plea and the matter is ongoing.	2 500 000	2 500 000
Geoilocate vs Umzimvubu Local Municipality The plaintiff is claiming an amount of R476 468.00 allegedly due by ULM in respect of services rendered. As at 25 March 2022 the Plaintiff has since served and filed it's Summons and the Municipal Legal Practitioners have since been instructed to defend the matter. The municipality has since filed its amended plea and has also filed its discovery affidavit. A Pre-trail conference will be convened shortly. Matter ongoing.	500 000	500 000
Norman Ndongeni vs ULM : Case no. 4779/2021 This matter is primarily between the applicant and the first respondent Miss Thembisa Ndongeni. The applicant seeks to evict the first respondent together with various other persons allegedly in unlawful occupation of the property in question. The ULM is cited in the application as the 4th respondent for compliance purposes only and no order is sought against it. However, legal representation is necessary as the Court may mero motu require the Municipality to intervene. The application was dismissed with costs. An application for leave to appeal and application for condonation from the applicants	200 000	200 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
60. Contingencies (continued)		
Jane Ntombesithathu Nkondlwana vs Umzimvubu Local Municipality: High Court - Case No. 2841/2019 ULM is 3rd respondent to the matter and the court has instructed as follows: "that the third respondent if need be, be and is hereby ordered to conduct an investigation into the welfare of respondent no 1 and 2 and provide them with accommodation where necessary as being part of its Constitutional mandate. The matter was finalised on 20 January 2022 and judgement in favour of the applicant. The matter has been appealed and is awaiting SCA.	200 000	200 000
Prince Mbusi Mdlalose vs Umzimvubu Local Municipality: High Court - Case No. 3359/2019 The plaintiff alleges that he was unlawfully arrested by the Municipal Traffic Officer on 10 September 2017, then handed him over to Mt Frere Police Station allegedly for exceeding the speed limit, detained for 7 hours and released on bail of R500.00. The matter was postponed after it was discovered that the arresting officer was not an employee of ULM to allow the municipality to amend its plea. A notice to amend the plea was sent to the plaintiff's attorneys. STATUS: ONGOING3.	500 000	1 500 000
Nozuko Mosley Zitumane and another's//Umzimvubu Local Municipality High Court case no: 2942/2024 The municipality is the defendant in this matter. The plaintiff claims unlawfull demolition of structures in their property.The atter has since been consolidated into one action under case number 2942/2024. The matter is still pending before the High Court. STATUS: ONGOING.	200 000	-
Concerned Group of Sigidini Administrative Area - Mt Ayliff vs Umzimvubu Local Municipality: High Court - Case No. 1986/2021 The applicant is concerned group of Sigidini administrative area a group whose house were demolished by the municipality. the matter was before Court and was postponed to 06 July 2021 and the Court directed that the Municipality file its replying affidavit. Matter back in Court on 07 July 2021 wherein application was granted in favour of the Municipality. Matter is on appeal and pending. Municipality has since filed its heads of arguments. Still ongoing.	200 000	200 000
PriceWaterHouseCoopers vs Umzimvubu Local Municipality Case No. 1351/2020 Claim in respect of services allegedly rendered in 2015, 2016 and 2019. The Majority of the claims prescribed in terms of the Prescription Act. The only claim outstanding was the 2019 claim and parties resolved to settle the claim out of court which effectively reduced the claim. After lengthy negotiations with the Plaintiff's, they proposed a settlement of R 107 967.66. Both parties agreed on the settlement proposed and the municipality paid. The matter was therefore finalised.	-	910 209
Economic Freedom Fighters vs Umzimvubu Local Municipality: High Court - Case No. 983/2021 High Court Application wherein the EFF seeks to declare ULM's dress code policies unlawful and unconstitutional and in the alternative to review and set aside ULM's dress code policies. A notice of intention to oppose was served and filed. Also, Answering Affidavit has also been prepared, served and filed. Awaiting Applicant's reply, if any. Applicants have since filed a supplementary founding affidavit. Filing of the supplementary answering affidavit was dismissed with costs. Matter ongoing	1 500 000	1 500 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

60. Contingencies

Contingent Assets

Umzimvubu Local Municipality vs Vuyo Chitha An Application to release Mr Vuyo Chitha's pension fund to ULM where Mr Chitha is liable to pay the Municipality an amount of R 102 000 to ULM. Court order has been issued in favour of the municipality and funds will be recovered from Mr Chitha's pension fund benefit.	-	102 000

Contingent Liabilities

Fikile Bhekizulu vs Umzimvubu Local Municipality and others case no : 168/2024: Plaintiff is suing the municipality for a cost order awarded in 2020 against it in a litigation matter that did not involve the municipality at that time. The municipality is opposing the matter and has filed its defendants plea. STATUS – ONGOING.	250 000	-
Lindelwa Nyokana vs Umzimvubu Local Municipality: High Court - Case No: 40/2018 The plaintiff is claiming a sum of R37 484,55 resulting from the damage to her motor vehicle as a result of a pothole in one of municipal roads. The matter was before court on 07 June 2024. There was no appearance for the plaintiff and consequently the matter was removed from the roll. The plaintiff to pay wasted costs for that seating. STATUS – ONGOING.	200 000	200 000
Umzimvubu Local Municipality vs Thandeka Mgeyi and 4 others: High Court - Case No. 2914/2019 The municipality seeks eviction order from the court. The respondents invaded RDP houses at Chithwa Village, EXT5, EmaXesibeni. The matter was referred for oral evidence and it is trial ready. The matter was before court on 7 March 2022 and was removed from the roll to allow the Municipality to bring its witness to court. The matter is still pending before court.	400 000	400 000
Umzimvubu Local Municipality vs Rawutini Yicokise Gawulana & Others Land Invasion on ERF 188 in EmaXesibeni. The matter appeared in court on the 9th of February 2021. Application dismissed with costs. ULM shall file documents to appeal. Application for leave to appeal has since been filed and the municipality received a legal opinion from the external legal practitioners that there would be no prospects of in filing an application for leave to appeal before the SCA. The implications therefore are that the matter has been finalised.	-	150 000
Andiswa Gxobole -Nomthwa's Projects v Umzimvubu Local Municipality: High Court - Case No. 957/2020 Demand for full payment of monies paid by the Director of Nomthwa Projects to effect repairs and installation of electricity at the Fresh Produce Market building belonging to ULM. The matter is still pending before the High Court. Status: Ongoing	200 000	200 000
Umzimvubu Local Municipality vs M Zibuke Clothing & Multipurpose & Another: High Court - Case No. 2570/2018 The municipality seek an eviction order against the respondents at TRANSIDO KwaBhaca. The matter is in the process of re-enrolment. We have drafted explanatory affidavit to open temporal file, waiting for a date from the Registrar. Counsel has been	400 000	400 000

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

59. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Buildings and community assets	11 382 595	4 017 383
• Infrastructure	34 791 230	50 260 736
	46 173 825	**54 278 119**
Total capital commitments		
Already contracted for but not provided for	46 173 825	54 278 119

Total commitments

This expenditure will be financed as follows:		
Grant funding	30 684 630	49 843 117
Internal funding	15 489 195	4 435 002
	46 173 825	**54 278 119**

This committed expenditure relates to property and will be financed through government grants and internally generated funds.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

58. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions - Refuse	-	1 257 949	1 257 949
Trade and other receivables from exchange transactions - Rentals	-	1 582 037	1 582 037
Cash and cash equivalents - Bank balances	2 459 275	-	2 459 275
Cash and cash equivalents - Investments	88 731 173	-	88 731 173
Human Settlement Receivables	-	315 489	315 489
Insurance claim	-	499 680	499 680
	91 190 448	**3 655 155**	**94 845 603**

Financial liabilities

	At amortised cost	Total
Trade payables	32 924 263	32 924 263
Retensions	13 756 139	13 756 139
Accruals	5 996 856	5 996 856
Debtors with credit balances	3 303 378	3 303 378
Department of transport	754 906	754 906
Income received in advance - construction contract	1 746 050	1 746 050
Income received in advance - Land sales	1 412 343	1 412 343
	59 893 935	**59 893 935**

2024

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions - Refuse	-	1 110 310	1 110 310
Trade and other receivables from exchange transactions - Rentals	-	346 441	346 441
Cash and cash equivalents - Bank balances	1 670 558	-	1 670 558
Cash and cash equivalents - Investments	64 633 831	-	64 633 831
Human Settlement Receivables	-	949 708	949 708
	66 304 389	**2 406 459**	**68 710 848**

Financial liabilities

	At amortised cost	Total

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

57. Accounting by principals and agents (continued)

ULM has paid an amount of R1 639 459 (2024: R972 771) to Eskom as a reimbursement for the free services provided by Eskom to indigent beneficiaries and no compensation has been paid to Eskom during the current and prior years.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

57. Accounting by principals and agents

The entity is a party to a principal-agent arrangements.

Details of the arrangments are as follows:

Municipality as an Agent:

Department of Transport:

The Municipality is an agent for the Department of Transport wherein it is delegated to register and licence motor vehicles on its behalf. There are no assets or liabilities that are held or incurred on behalf of the principal and recognised in our financial statements. The risks associated with the principal-agent relationship that exist on any monies collected by the municipality on behalf of the principal lies solely with the municipality.

During the year, all collections made are banked and paid over to the Department of Transport two times a month. The income due to the municipality according to the agreement is 19% of the amount collected subject to certain conditions as per the Service Level Agreement and National Road Traffic Act, Act 93 of 1996. During the year, a total of R14 750 873 (2024: R14 600 427) was collected gross of commission, and the municipality has recognised a revenue of R2 364 094 (2024: R2 360 443) exclusive of VAT.

Monies due to the principal at year end was R754 906 (2024: R492 870).

Minimal risk was transferred from the Department of Transport, as the principal, to Umzimvubu Municipality, as the agent, beyond the cash collected on behalf of the principal.

Municipality as a Principal:

Independent Development Trust:

The Umzimvubu Local Municipality (ULM) has entered into a Memorandum of Agreement (MoA) with the Independent Development Trust (IDT). In this agreement, the IDT will manage the implementation of the development / construction of new ULM offices to an extent of 4ha in Sophia Town Kwa Bhaca and a the alterations to existing offices in Kwa Bhaca. ULM is a principal to this arrangement.

The purpose of this relationship is to change the face of the Municipality towards service delivery, value additions and to build offices that are accessible to the community of Umzimvubu Local Municipality.

IDT will be responsible for providing and managing all necessary facilities, equipment, internal finances and personnel for the performance of its functions. During the year there has been no changes in the terms and conditions of this agreement. Amongst others, this arrangement is exposed to the poor delivery by suppliers resulting to slow turnaround time, abandoned variation orders and non compliance with laws and regulations resulting to litigations. The arrangement has a risk management plan in place to address and minimise all the risk identified.

During the current period, the municipality has paid a gross amount of R0 (2024: R0) which is capitalised as part of the project cost. The total gross amount paid include a 5.5% commission paid to the agent for the current period of R0 (2024: R0), which is included in the amount paid to the project.

Eskom Holding:

FREE BASIC ELECTRICITY

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

56. Segment information (continued)

2025

	External revenues from non-exchange transactions	External revenues from exchange transactions	Total expenditure	Non-current assets*
Ward 1 to 10	-	-	10 727 077	224 794 981
Ward 11 to 20	-	-	11 060 895	256 059 214
Ward 21 to 28	-	-	564 224	186 429 672
Whole of municipality	388 841 598	46 280 523	442 419 168	412 591 371
Total	**388 841 598**	**46 280 523**	**464 771 364**	**1 079 875 238**

*Excludes additions to financial instruments and post-employment benefit assets

2024

	External revenues from non-exchange transactions	External revenues from exchange transactions	Total expenditure	Non-current assets*
Ward 1 to 10	12 560 492	-	3 266 615	187 520 004
Ward 11 to 20	-	-	5 240 876	191 726 745
Ward 21 to 28	-	-	6 250 106	168 806 046
Whole of municipality	361 908 236	38 092 776	474 283 060	506 670 678
Total	**374 468 728**	**38 092 776**	**489 040 657**	**1 054 723 473**

*Excludes additions to financial instruments and post-employment benefit assets

ued)

ne detailed financial performance of the identified segments and only the summary on the financial position. Upon aggregating the assets and the municipality has identified that there are segments liabilities that are reported as positive and assets reported as negative.

e of the reasons why the municipality has these unusual item balances:

ng for its financial performances per segments and not the financial position per segment.

share and property rates, which contribute majority of operational expenditure and internally funded capital projects are only budgeted for and , which is not a reportable segment.

operations through funding from non-reportable segment, making it not possible to report on the financial position rather the performance.

table segment is measured mainly on its operational budget implementation, rather than capital.

es on reportable segments' total assets and total liabilities, the overall municipal financial position in the segment reporting is the true reflection of atement of financial

s or deficit, assets and liabilities

ons between reportable segments

nents are the same as those described in the summary of significant accounting

areas

nomic activities anywhere else other than the Umzimvubu area and there has not been a and economic activities during any of the reporting periods. As the municipality is cipality, geographic areas are grouped based on wards and whole municipality as

	Economic & Environmental Services	Roads & Infrastructure	Community Services	Public Safety	Non-reportable segments	Total
ontinued)						
	3 647 668	11 352 772	15 671 421	20 678 075	41 657 373	93 007 309
	-	-	-	-	23 558 458	23 558 458
	-	-	27 711 591	-	50 277 667	77 989 258
	-	-	(1 322 706)	-	43 307 966	41 985 260
	-	-	380 270	-	1 929 881	2 310 151
	-	-	-	-	2 347 536	2 347 536
	-	-	-	24 108	820 910	845 018
	62 866	-	2 857 901	359 706	3 235 313	6 515 786
	491 758	12 195 248	13 249 841	23 642 651	43 514 335	93 093 833
	14 442 270	849 180	645 055	509 174	2 254 412	18 700 091
ire	3 162 465	12 452 105	4 019 582	1 231 874	51 642 938	72 508 964
	-	38 092 776	-	-	-	38 092 776
	-	-	-	-	18 086 217	18 086 217
enditure	**21 807 027**	**74 942 081**	**63 212 955**	**46 445 588**	**282 633 006**	**489 040 657**
ırplus/(deficit)	**(9 080 825)**	**45 134 039**	**(58 059 022)**	**(38 521 704)**	**59 980 580**	**(546 932)**
	(77 272 634)	83 008 002	(373 677 058)	(48 692 317)	1 585 909 160	1 169 275 153
t of financial Position						**1 169 275 153**
	(9 326 464)	209 908 364	(35 486 734)	(7 211 030)	(273 679 707)	(115 795 571)
ent of financial Position						**(115 795 571)**

y note:

ued)

	Economic & Environmental Services	Roads & Infrastructure	Community Services	Public Safety	Non-reportable segments	Total
	-	-	1 296 952	-	-	1 296 952
	-	8 821	182 503	-	4 948 305	5 139 629
	-	38 092 776	-	-	-	38 092 776
	7 651	221 939	14 950	-	4 792	249 332
	-	818 929	-	2 360 443	-	3 179 372
	-	-	-	1 921 051	-	1 921 051
	-	-	-	-	10 726 289	10 726 289
	-	-	-	-	179 148	179 148
	-	-	-	-	4 190	4 190
	-	-	-	-	712 476	712 476
	-	80 933 655	3 659 528	-	277 315 053	361 908 236
	-	-	-	-	46 521 963	46 521 963
	12 560 492	-	-	-	86 957	12 647 449
	-	-	-	3 642 390	-	3 642 390
	158 059	-	-	-	-	158 059
ors - non-Exchange	-	-	-	-	2 114 413	2 114 413
	12 726 202	**120 076 120**	**5 153 933**	**7 923 884**	**342 613 586**	**488 493 725**
						488 493 725

	Economic & Environmental Services	Roads & Infrastructure	Community Services	Public Safety	Non-reportable segments	Total
inued)						
	4 340 685	12 946 483	16 472 387	22 388 141	44 137 216	100 284 912
	-	-	-	-	24 538 552	24 538 552
	-	46 280 523	-	-	-	46 280 523
	-	-	70 108 419	-	12 333 144	82 441 563
	-	-	996 083	-	16 996 335	17 992 418
	-	-	2 121 805	1 049 166	3 301 527	6 472 498
	608 609	10 451 605	13 987 206	23 003 938	36 286 178	84 337 536
	11 646 434	5 831 961	1 217 632	583 288	3 176 108	22 455 423
	-	-	-	-	11 273 682	11 273 682
	-	-	-	-	1 849 844	1 849 844
	2 050 348	7 099 243	3 600 876	2 184 246	48 742 015	63 676 728
	-	-	550 629	-	1 568 223	2 118 852
	-	-	-	-	1 048 833	1 048 833
liture	**18 646 076**	**82 609 815**	**109 055 037**	**49 208 779**	**205 251 657**	**464 771 364**
ating surplus/(deficit)	**(18 422 663)**	**67 665 027**	**(101 165 110)**	**(42 311 965)**	**173 328 634**	**79 093 923**
	(93 069 683)	94 615 244	(455 221 281)	(77 103 297)	1 764 050 934	1 233 271 917
f financial Position						**1 233 271 917**
	(8 096 277)	136 499 602	(35 066 467)	(3 645 899)	(190 333 549)	(100 642 590)
: of financial Position						**(100 642 590)**

nued)

ilities

	Economic & Environmental Services	Roads & Infrastructure	Community Services	Public Safety	Non-reportable segments	Total
	-	315 271	17 499	10 200	46 334	389 304
	-	-	1 360 462	-	-	1 360 462
	-	46 280 522	-	-	-	46 280 522
	-	45 522	297 914	-	5 082 618	5 426 054
	-	-	-	-	11 047 410	11 047 410
actions	-	-	-	2 364 094	-	2 364 094
	-	-	-	2 163 878	-	2 163 878
	-	-	-	-	194 238	194 238
	-	-	-	-	112 630	112 630
	-	820 483	-	-	-	820 483
	-	-	-	-	64 664 734	64 664 734
	223 413	-	-	-	-	223 413
	-	-	-	-	4 696 288	4 696 288
Transactions	-	90 774 344	6 214 052	-	291 853 203	388 841 599
	-	-	-	2 358 642	-	2 358 642
	-	-	-	-	150 000	150 000
	-	-	-	-	12 651	12 651
	-	12 038 700	-	-	720 185	12 758 885
	223 413	**150 274 842**	**7 889 927**	**6 896 814**	**378 580 291**	**543 865 287**
						543 865 287

Figures in Rand	2025	2024

56. Segment information (continued)

Aggregated segments

The municipality operates throughout Umzimvubu area in both kwaBhaca and emaXesibeni towns with certain functions providing an administrative and support role. Segments were aggregated on the basis of the services delivered as management considered that the characteristics of the segments were sufficiently similar to warrant aggregation. These have been aggregated to form the unallocated services.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Economic and Environmental Services Public Safety	Hawker permits, trading licences and SMMEs support Vehicle licensing, driver learners licensing, traffic fines, animal pounding and Department of transport agency services
Roads & Infrastructure	Building plan approvals, construction of houses on behalf of Department of Human Settlement, construction and maintenance of municipal infrastructure for service delivery, municipal plant hire and construction of electric infrastructure on behalf of Department of Energy and Mineral Resources.
Community Services	Rental of halls and facilities, selling of burial plots, cleaning of municipal facilities, solid waste removal and library services.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
55. Cash generated from operations		
Surplus (deficit)	79 093 923	(546 932)
Adjustments for:		
Depreciation and amortisation	82 441 563	77 989 258
(Gains) / Losses on Disposal of Property, Plant and Equipment	11 273 683	18 086 217
Fair value adjustments	(664 444)	(712 476)
Impairment loss	17 500 702	41 985 261
Movements in operating lease assets and accruals	(2 624 973)	(2 738 445)
Contribution to Provisions - Current	178 393	37 549
Finance costs - Landfill site provision	372 236	2 839 323
Non-cash donations and other in-kind benefits	-	(12 560 492)
Contributions to employee benefit for the year	891 592	9 605
Actuarial gain - Employee benefit	(12 651)	(4 190)
Provision for leave	470 944	(194 625)
Changes in working capital:		
Inventories	(11 730 749)	(1 029 801)
Trade and other receivables from exchange transactions	48 772	(1 287 713)
Consumer debtors	(1 268 022)	(6 575 048)
Statutory receivables	(8 722 341)	(6 120 056)
Prepayments	583 197	1 387 924
Trade and other payables from exchange transactions	(6 411 237)	17 664 194
VAT	4 527 979	9 922 728
Trade and other payables from non-exchange transactions	(14 301 302)	11 097 292
Consumer deposits	31 110	14 169
Non cash movement in assets (retension and trade payables)	(21 833 180)	(20 824 566)
	129 845 195	**128 439 176**

56. Segment information

General information

Identification of segments

For management purposes, the municipality is organised and operates in four key functional segments (or functional areas). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance.

The municipality is organised and reports to council on the basis of four functional areas:

- Economic and Environmental Services
- Public Safety
- Roads & Infrastructure

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
53. Impairment losses		
Impairments		
Property, plant and equipment During the year, the municipality assessed property, plant and equipment for impairment and an adjustment to impairment was made due to decrease in the estimated future benefits.	7 967 417	32 325 016
Receivables from Exchange Transactions - Refuse During the year, the municipality assessed refuse receivable for impairment and an adjustment to impairment was made due to poor payments.	996 083	-
Receivables from Exchange Transactions - Rentals During the year, the municipality assessed rentals receivable for impairment and an adjustment to impairment was made due to poor payments.	-	43 916
Statutory Receivables - Rates During the year, the municipality assessed property rates receivable for impairment and an adjustment to impairment was made due to poor payment by rate payers.	8 419 293	3 496 272
Statutory Receivables - Traffic fines During the year, the municipality assessed traffic fines receivable for impairment and an adjustment to impairment was made due to poor payment by traffic offenders.	1 386 887	7 442 763
	18 769 680	**43 307 967**
Reversal of impairments		
Receivables from Exchange Transactions - Rentals In the current year, a reversal was recognised due to improved payment pattern.	(777 262)	-
Receivables from Exchange Transactions - Refuse In the prior year, a reversal was recognised due to improved payment pattern.	-	(1 322 706)
	(777 262)	**(1 322 706)**
Total impairment losses (recognised) reversed	**17 992 418**	**41 985 261**
Material impairment losses recognised		
Property, plant and equipment		
Impairment loss recognised: Buildings and community assets Infrastructure	1 140 127 6 827 289	4 398 433 27 926 583
54. Auditors' remuneration		
AGSA fees	4 926 276	4 482 103

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

50. Gain / (Loss) on disposal of assets (continued)

Facts and circumstances of the disposal

D1: A motor vehicles was stolen during the year and the insurance committed to pay the municipality for this vehicles an amount of R499 680. An auction of municipal assets took place on the 13th of July 2023 and a total of R495 784 was realised.

D2: A computer laptop lost from a former employee and was replaced by a new laptop purchased by that employee.

D3: Municipal assets were either derecognised as new infrastructure assets were being constructed, damaged, lost or they were found to offer limited service potential and were thus disposed.

51. Fair value gains

Investment property (Fair value model)	720 185	712 476
Gain on land held for sale fair value adjustment	12 038 700	-
	12 758 885	**712 476**

52. Actuarial gains

Actuarial gains	12 651	4 190

	2025	2024

current and prior year include those listed below:

Disciplinary steps taken/criminal proceedings		
of N1	7 216 919	5 530 575

nual financial statements by AGSA, it was discovered that the municipality has ntract on the appointment of the panel of attorneys for a period of 3 years that ie municipality was trying to avert being open to no representation in court by 30 days. Upon inspection of all supporting documents by AGSA, AGSA basis that the contract is a long term contract, more than 12 months, and s for advertising for less than 30 days. All expenditures incurred in this contract

abled to Council on the 31st of March 2025 with recommendations in terms of erred the matter to MPAC for further investigation. Special MPAC sessions were ay 2025 for the committee to go through the report, determine facts and thered.

uncil adopted the council committee recommendation to write-off an amount of ire amount as it was proven without reasonable doubt that the amount was not

ngs

steps / criminal proceedings would be taken against any municipal official as eceived. The contract was declared irregular during the 2024 audit. There are no

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

65. Fruitless and wasteful expenditure

Opening balance as previously reported	839 721	839 721
Add: Fruitless and wasteful expenditure identified - current (N2)	1 273 223	450 665
Add: Fruitless and wasteful expenditure identified - prior period (N2)	4 590 841	-
Less: Amount written off - current (N1)	-	(450 665)
Closing balance	**6 703 785**	**839 721**

Fruitless and wasteful expenditure is presented inclusive of VAT.

N1: During 2024 financial year, the case relates to 3 officials that were formally placed at the eNaTis officials and the result of Disciplinary proceedings led to the recovery that is in progress at reporting date. In addition, there is an amount paid to an incorrect service provider and was not recovered. After investigation by the MPAC, on the 26th June 2024 as per Council Resolution CR 060/2023/2024, it was resolved that an amount of R450, 665 be written off by Council.

N2: During the current year, upon declaring out VAT on previous years INEP receipts, the municipality has incurred interests and penalties from SARS. This matter is still being discussed with SARS and steps to request from relief are being taken by the municipality as this was not a known error/omission by the municipality but as a result of a new Accounting Treatment issued in 2024 of INEP grants by municipality without electricity distribution licences.

Details of fruitless and wasteful expenditure:

Loss due to financial misconduct is R0 (2024: R839 741).

66. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government - SALGA

Current year subscription / fee	1 213 685	1 186 062
Amount paid - current year	(1 213 685)	(1 186 062)
	-	-

Other material losses

Add: Losses identified - current period	-	703 521
Less: paid - current year	-	(703 521)
	-	-

Audit fees

Current year fee	5 665 217	5 164 451
Amount paid - current year	(5 665 217)	(5 164 451)

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

66. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT payable	13 331 146	9 531 686

VAT output payables is shown in note 20.

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councilor N Mdzinwa	1 289	-	1 289
Councilor AN Garane	611	-	611
	1 900	**-**	**1 900**

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councilor N Mdzinwa	332	-	332
Councilor AN Garane	1 736	-	1 736
	2 068	**-**	**2 068**

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council.

There were no transactions incured through deviations during the year.

67. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

67. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

The municipality is not exposed to credit interest rate risk as the municipality has no borrowings.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

The municipality had no floating rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

68. Comparative figures

Comparative amounts are comparable to the current balances. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

69. Going concern

The Annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

69. Going concern (continued)

- As the municipality has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

Taking the aforementioned into account, management has prepared the Annual financial statements on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

70. Events after the reporting date

Disclose for each material category of non-adjusting events after the reporting date:
- nature of the event.
- estimation of its financial effect or a statement that such an estimation cannot be made.

71. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
VAT output accrual (N2)		(10 507 769)	10 497 674	(10 095)
VAT receivable (N2)		6 842 160	(6 842 160)	-
Accumulated surplus (N2)		(1 023 162 633)	3 150 821	(1 020 011 812)
VAT payable (N2)		-	(6 806 335)	(6 806 335)
		(1 026 828 242)		**- (1 026 828 242)**

2024

	Note	As previously reported	Correction of error	Restated
Trade and other receivables from exchange transactions (N3)		2 406 457	-	2 406 457
Receivables from Non-exchange transactions (N3)		13 609 130	-	13 609 130
VAT receivable (N1) / (N2)		3 070 593	(3 070 593)	-
Vat input accrual (N1)		7 043 506	(2 242 432)	4 801 074
Property, plant and equipment (N4)		1 045 761 957	(17 457 165)	1 028 304 792

Notes to the Annual Financial Statements

Figures in Rand

71. Prior-year adjustments (continued)

2024

	Note	As previously reported	Correction of error	Restated
Construction contracts revenue (N5)		13 782 609	24 310 167	38 092 776
Finance costs (N2)	43	(1 113 935)	(1 196 216)	(2 310 151)
Construction contracts expenditure (N5)		(13 782 609)	(24 310 167)	(38 092 776)
Loss on disposal of assets (N4)		(629 052)	(17 457 165)	(18 086 217)
(Surplus) / Loss for the year		(18 106 450)	18 653 381	546 931
		(19 849 437)	**-**	**(19 849 437)**

Cash flow statement

Errors

The following prior period errors adjustments occurred:

N1: VAT misclassification

During the prior year audit, an amount of R2 225 262 was identified as being misclassified and included in unders and overs schedule. However, the municipality did not correct this misclassification from vat input accrual to vat receivables in the prior due to disagreements with the auditor. After further assessment by management, this misclassification was only confirmed and corrected during the current financial year.

N2: Output VAT declaration on INEP prior year receipts.

During the prior year, the municipality disclosed in the annual financial statements, VAT output accrual as a result of INEP receipts that were received in the prior years, however, not declared to SARS as output VAT. Subsequently, during the current year, the municipality re-opened all the VAT periods, dating back as far as 2019, and resubmitted revised output VAT. This has resulted into the adjustment to the prior year VAT output accrual, VAT receivables, finance costs and accumulated surplus.

N3: Receivables from exchange transactions, receivables from non-exchange and Provision for impairment on debtors.

During the current year, the municipality received a complaint from one of the customers regarding the implementation of debt payment scheme ended 30 June 2024. Upon investigation, it was discovered that the customer had paid and met all the conditions for her account to be written off, however the account was not written off. The municipality recalculated and wrote off the customer account. This prior year adjustment will not have an impact in the face of the annual financial statements as the debts were already fully impaired, and therefore, gross debt is the same as accumulated impairment.

It was also noted there are account that were not supposed to be billed, however, in the prior years these accounts were billed and were having either an amount outstanding or over payment. This was corrected as a prior year adjustment.

Notes to the Annual Financial Statements

Figures in Rand

71. Prior-year adjustments (continued)

Segment Information

Durinf the year, the municipality has corrected segment reporting note to include Geographic information as required by GRAP 18. This disclosure was not included in the prior year audited financial statements .

Refer to note :56 for the adjustment.

N4 Property, plant and equipment

Certain infrastructure assets where new workd had been done were not derecognised at the time of reconstruction. This led to a duplication of assets. We have derecognised these assets and reversed depreciation charge for the same assets recognised in 2024.

N5 Construction revenue and expenditure

The municipality has an agreement with the Eastern Cape Departnment of Human Settlement for the construction of houses in the municipal area for the benefit of the community. This agreement was previosly recognised as a principal-agent relationship and only commission fees was recognised in the financial statements. The restatemens have been informed by the application of GRAP 11 - Construction Contract standard, where in revenue is recognised to the extent of the expenditure incurred on teh contract.

71. Prior-year adjustments (continued)

Reclassifications

The following reclassifications adjustment occurred:

Reclassification 1: Financial Instruments

During the previous periods, the municipality classified Cash and Cash Equivalents financial instruments as financial instruments at amortised cost. Due to the nature of this item, management has applied principles of GRAP 104.13 which states that "*The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility*".

The management has therefore reclassified cash and cash equivalents to financial instruments at fair value which states that *"Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction"* as both the municipality and the financial institution know exactly the amount of money is held on behalf of the municipality.

Contingencies:

Umzimvubu Local Municipality vs Jabulani Hardware:

During the year, the municipality re assessed this case and concluded that the nature of this case does not meet the requirements of GRAP 19 for contingent liability. There municipality never opened a case against Jabulani and virsa versa, therefore there is no outcome that will confirmed by occurance or non occurance of a future event. This was then removed as a contingent liability of the municipality.

Umzimvubu Local Municipality vs Nolubabalo Khuzani & 62 Others:

The municipality discovered that this case was closed on 01 December 2020 through the court order dated 24 November 2020 and signed on 01 December 2020. This case was then removed from the register.

Umzimvubu Local Municipality vs Phumeza Mbasane Nompumza:

The municipality discovered that the court granted judgement in favor of the municipality in 2023. This case was also incorrectly disclosed as a contigent liability instead of asset.

Reclassification: Property, Plant and Equipment

In prior years, community assets disclosed under buildings were not indicated in the note for property, plant and equipment. This was corrected renaming the class from buildings to buildings and community assets. No adjustments were made on the balances for these accounts.

Furthermore, an amount of R648 088 was incorrectly included under WIP additions. This amount was as a result of an audit finding where Retention for Buildings was understated by the same amount. However, this adjustment does not affect the closing balances of assets as WIP is only a disclosure note.

Notes to the Annual Financial Statements

Figures in Rand

72. Budget differences

Material differences between budget and actual amounts

N1 The construction contract budget was excluding department of human settlement allocations which, during the AFS preparation was reclassified as construction contract revenue and expenditure respectively.

N2 The variance is as a result of vacant municipal properties

N3 The opening an RA in emaXesibeni attracted motorists who were registered outside the province

N4 The anticipated management fee from human settlement could not be achieved

N5 The identified variance is caused by enforcement made on businesses that failed to pay their licences

N6 The cause of the variance is under collection from debtors

N7 The human settlement grant was incorrectly budgeted for as transfers and subsidies. This budget was also overstated as the municipality anticipated to complete all Human Settlement projects during the year. However, only few projects were completed and lesser amount was received from Human Settlement

N8 The prior year performance was used as the baseline when budgeting hence the variance.

N9 All write offs are within the impairment provision

N10 The variance is as a result of the anticipated acquiring of assets which did not materialize and over budgeting of Human Settlement projects which were budgeted for as capital acquisitions but reported as constraction contract..

N11 The variance is as a result of the budget not being allocated to the line item

N12 The variance is caused by the implementation of cost containment measures

N13 Internally funded electrification projects were classified as contracted services

N14 The municipality anticipated to incur losses hence the variance

N15 The municipality did not acquire the anticipated assets

N16 The variance is as a result of the prior year debt that has not been collected

N17 The projected amount was based on the prior year projections

N18 The budgeted amount is included in the other current assets

N19 The reason of the variance is the VAT treatment on INEP grant

Notes to the Annual Financial Statements

Figures in Rand

73. Cash generated from investing activities

Purchase of assets as per PPE note	126 306 288	162 465 928
Retension	(6 866 698)	(1 678 709)
Accruals	(3 058 299)	(1 678 709)
Trade payables	(11 422 155)	(17 467 148)
	104 959 136	**141 641 362**

Purchase of assets as disclosed in note 12 includes purchases that have not yet been paid for, with corresponding entry being payables. These have been adjusted for from the total of cash paid for purchases of assets.

AUDIT CORRECTIVE ACTION PLAN

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
1	AFS: variances in high-level review of AFS	The annual financial statements (AFS) were submitted with working paper file containing underlying schedules for items of the financial statements that have material variances. The following underlying schedules submitted together with the AFS had variances: • Commitments • Property, plant and equipment	Management's oversight was inadequate to ensure that appropriate review procedures were performed, compromising the understandability, accuracy, and fair presentation of the annual financial statements.	The impact is a limitation of scope on the above-mentioned account balances or classes of transactions or disclosures to the Annual Financial Statements.	Management should ensure that a thorough review of the working paper file accompanying the AFS is performed. The review will ensure that variances on any underlying schedules supporting information presented in the financial statements and the annual performance report is detected and corrected in a timely manner	R0,00	Management agrees with the variance.	Management's response has been noted, and management agrees with the findings. Management submitted an accurate and complete schedule for the commitments, however there are no updated schedules for all other financial components mentione	No	Schedule of uncorrected misstatements	DCFO and CFO	2026/02/28 to 2026/08/31	Management commitment to review interim financial statements to ensure that proper supporting documentation prior to submission to internal audit, then on Quartely basis going forward.	The reviewed Interim Financial Statements are at 80% completions and will be submitted to Internal Audit, Audit Committee and Provincial Treasury for review by 28th February 2026.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		• Gain/ loss on disposals • Impairment losses • Trade and other payables from exchange transactions • Trade and other payables from non-exchange transactions			prior submission of AFS to the Auditor General.			d on the COAF. Therefore, except for commitments the finding remains and will be included as part of the uncorrected misstatements.							

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
2	Prior uncorrected misstatements	The following misstatements were identified in the prior year. Management did not make corrections to correct the identified misstatements in the 2023/24 AFS, therefore the misstatements remained	Management's oversight was inadequate to ensure that appropriate review procedures were performed, compromising the understandability, accuracy, and fair presentation of the annual financial statements.	The above misstatement if not corrected in the current year will result in the annual financial statements comparative figures including the current year figures being misstated and the financial impact of these will be assessed in the current year. These may be reported	Management should regularly review the AG findings that were not resolved during the audit process and consider correcting the populations and making the necessary restatements to comparative figures.	R0,00	Management agrees with the variance.	Management's response is noted. The VAT input adjustment has been audited, and sufficient evidence was obtained confirming that the correction was appropriately processed. However, the findings relating to Trade and Other Receivables from Exchange Transactions – Customer Debtor	No	Schedule of uncorrected misstatements	DCFO and CFO	2026/02/28 to 2026/08/31	Review of the Schedule of overs/(unders) issued by the AG during the audit and do all the necessary adjustment to prior year figures.	The reviewed Interim Financial Statements are at 80% completions and will be submitted to Internal Audit, Audit Committee and Provincial Treasury for review by 28th February 2026. The overs and unders have been done and all	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
				in the audit report if assessed to be material.				Refuse, Receivables from Non-Exchange Transactions – Debt Waived Off, and Cash Flows from Operating Activities remain unresolved, as no adjustments were made in these areas.						the necessary adjustments have been implemented on the Interim Financial Statements	
3	Predetermined objectives	The indicator in the table below was reported in the APR inconsistently from the adjusted SDBIP.	Lack of adequate review of the APR to ensure that the indicator reported in the APR is consistent with the indicator per the	The impact of the above findings is an disagreement between the SDBIP and the APR.	Management should ensure that a thorough review of the SDBIP and APR to ensure that there is consistent reporting of the indicators.	R0,00	Management acknowledges relating to the omission of "Resealed" when the indicator was	Management agrees with the finding, the adjustment has been made to the APR, therefore, the	No	Resolved	Manager IDP and PMS	Quarterly	Thorough comparisons inbetween quarters.	Comparisons were made for the Mid-Year and Second Quarter Performance Reports	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
			adjusted SDBIP.		The review will ensure that the reported indicators in the APR are consistent with the indicators per the SDBIP		adjusted in the SDBIP and will thus adjust the APR Indicator to be consistent with the Planning Document (Adjusted SDBIP)	finding has been adjusted by management, the indicator reported in the APR is consistent with the SDBIP.						and will be further made for the Third Quarter and Annual Performance Reporting when they fall due.	
4	Failure of Internal Audit Unit to Report on Loss Control	During the assessment of the work of internal auditors the following were noted: * Loss control was not included in the approved Internal Audit Plan. * Internal	Internal audit relies on the section 52d reports for the reporting on Loss Control and did not plan to conduct a review and report on the loss control.	Internal audit relies on the section 52d reports for the reporting on Loss Control and did not plan to conduct a review and report on	Internal audit relies on the section 52d reports for the reporting on Loss Control and did not plan to conduct a review and report on the loss control.	R0,00	Management does not agree to the finding	Management's response is noted. Evidence has been obtained confirming that internal audit reported on loss control through the various reviews conducte	No	Resolved	Manager Internal Audit		Internal Audit to ensure that Loss control Audit is included in the Internal Audit Plan and reported to Audit and Perfomance Committee.	Internal Audit Plan has been revised to include loss control revew.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		audit did not perform and report on loss control during the year * Internal audit did not advise the AO and report to the audit committee on loss control findings.		the loss control.				d; therefore, the finding has been resolved							
5	Audit committee – IC deficiency relating to IA quality assurance	There is no evidence that the following was done: There is no evidence that the following was done: - Audit committee reviewed and approved the quality assurance plan.	The above is due to audit committee not fulfilling the roles as per the requirements of the Global Internal Audit standard.	This will result in an internal control deficiency.	The audit committee should ensure that the roles and responsibilities per the Global Internal Audit standard are performed, this will ensure that the quality assurance	R0,00	Management notes the finding	Management comment is noted, management did not submit information to confirm that the assessment and improvement plan were communi	No	Internal Control	Manager Internal Audit	Quarterly	Quaterly reporting to APC on status of implemaentation of EQAR recommendations untl all findings are cleared	Quality assurance report was tabled to APC on the 14 November 2025. Quaterly reporting on EQAR is	Ongoing

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		- Audit committee approved the plan to address deficiencies identified in the quality assurance review including the monitoring of the plan. - Audit committee received the full results of the quality assurance.			plan is approved, and there is monitored progress on the implementation of the recommendations which will improve the impact of the internal audit unit.			cated, therefore, the findings remains as internal control deficiencies.						currently done to APC	
6	Incorrect processing of traffic fines	Per the auditing of receivables from non-exchange transactions, relating to traffic fines, the differences were noted between the amounts	linadequate review process around the processing of traffic fine into the accounting system (Munisoft).	The above misstatement result in a projected Understatement of Receivables from non-exchange transactions –	Management should perform detailed and regular review procedures to ensure that the accounting records agree with the relevant	R427 592,00	Management agrees with the finding, there was no actual payment made as a results there is a warrant that was	Management's response has been noted, and the management agrees with the finding. However, there is no	No	Schedule of uncorrected misstatements	Manager Community Safety, Manager Revenue	Monthly	To perfom traffic fine reconcilliation between traffic fines schedule to bank statement and financial system.	Traffic fines reconciliation is done on monthly basis and the adjustement mas been made on the	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		recorded on the traffic fines schedule and the supporting documents (traffic fines issued for the offences). For the payments made towards the affected ticket, no supporting document(s) were submitted i.e. receipt/ proof of payment per the bank statement.		Traffic fines by R427 592 and Revenue - fines, penalties and forfeits by the same amount	supporting documents		issued due to non-payment on the above-mentioned ticket. The management has visited the entire population, and the necessary adjustment will be made.	updated schedule provided by management which has been adjusted for the projected misstatement identified. Therefore, the finding remains and will be included as part of the uncorrected misstatements.						2024/25 finding.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
7	Supply Chain Management	While reperforming the points calculation for the quotation number UMZ/2024-25/SPU/RFQ/034 for Mayoral cup netball and soccer ball vouchers it was confirmed that the losing bidder was not awarded the full 20 points for specific goals even though they met all the criteria for black owned, female and youth, this resulted to	This is caused by an error in the evaluation of the losing bidder which resulted in the omission of 5 points in the calculation .	Irregular expenditure amounting to R298 000 .	Management should ensure that the points allocated to the bidders are accurate based on the submitted information , additionally , the reviews of the evaluation reports should include confirmation of the awarded points in the submitted documents.	R298 000,00	The management has noted the finding identified regarding a quotation .	Management comment has been noted. Management acknowledges that there was an error in calculating the points for the losing bidder. Therefore the finding remains and will be reported in the Management Report as the municipality was in contravention with Preferential	No	Finding Remains	Manager SCM, DCFO and CFO	28-Feb-26	To amend checklist to talk on how did apply the specific goals and functionality. Where objective criteria is applied, it must be fully documented on the report. It will be submitted toMPAC for invistigation.	Checklist has been developed including the confirmation of objective criteria detailing. Engagement with Manager in the Office of the MM has been made and an item to write off the irregular will be presented in the next MANCO meeting .	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		the award being made to an incorrect bidder which is in contravention to Preferential Procurement Regulations Section 4(4).						Procurement Regulations Section 4(4).							
8	Commitments mistatements	The following misstatements were identified between the commitments disclosed by management and auditors recalculation in relation to the contract below.	The identified misstatements are due to management not correctly accounting for payments relating to the contracts in the table above.	The above misstatement will result in a understatement of commitments by a projected amount of R486 383	Management should ensure that when calculating commitments, they account for the contract amount and all payments made relating to the contract in since inception in order to determine	R486 383,00	Management agrees with the finding. No adjustment on AFS will be made.	Management comment has been noted. Management agrees with the finding, the finding therefore remains.	No	Schedule of uncorrected misstatements	Manager Assets and Stores, DCFO and CFO	Monthly	To perform reconcilliation on contract register, commitments register and retention register.	Commitment register is updated on monthly bases, all infrastructure payments included on commitment register.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
					the total amount of commitments, additionally, the commitments schedule and calculations should be appropriately reviewed.										
9	Contingent assetsmistatements	The contingent assets in the table below disclosed in note 57 of the AFS don't meet the definition of a contingent asset.	The findings in the nature are due to management not applying the requirements of GRAP 19.	The above issue will result in the overstatement of contingent assets by R102 000 relating to the case in the nature.	Management should ensure that they apply the requirements of GRAP 19 in relation to recognition and disclosure of the transactions.	R102 000,00	Management agrees with the finding. No adjustments on AFS will be made.	Management comment has been noted, management agrees with the finding, the finding therefore remains.	No	Schedule of uncorrected misstatements	Manager MMs office, DCFO	Monthly	Reconcil contigent register to monthly litigation regester.	Monthly liigation register have been received, contigent liabilities and assetON IFS will bee updated accordly, then it will review by CFO before IFS are	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
														submitted to internal audit.	
10,1	Incorrect processing of traffic fines	During the auditing of note 62 SCM regulation 45 disclosures of the 2024/25 Annual Financial Statements, noted that the disclosure is incomplete. The municipality did not disclose particulars of awards which are more than R2000 to a persons who are spouses of a person in the service of the	No disclosure of particulars of the award to a person who is a spouse of a person in service of the state is caused by misinterpretation of the SCM regulation 45 requirement by the management.	The SCM regulation 45 disclosure to the annual financial statements is understated by the amount of the awards provided to Glenhope trading, Myoza-Myoza and brotherly love trading and project. Th+G18: H18 total misstatement is factual and	Management should monitor and review the compliance with all applicable laws and regulations in the preparation of the annual financial statements of the municipality	R6 281 338,00	Management agrees with the finding. However, after recalculating the factual misstatements, the following were identified:	Management's response has been noted; upon receipt of the adjusted annual financial statements, audited the note 62 SCM regulation 45 disclosure and confirmed the accuracy and validity of the adjustments made as follows:	No	Resolved	Manager SCM, DCFO and CFO	Monthly	To included both regulation 45 and GRAP 20 register on MANCO report.	Both the disclosures Reg 45 and Grap 20 have already been included in the January MANCO report and will be included in all Section 71 reports on wards.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		states as mentioned In the table below.		amounts to R6 281 338.											

10,2	Inadequate disclosure of Related parties	During auditing of related party disclosures, noted that the municipality has disclosed the allowance paid to all members of the audit committee including the chairperson related party transactions. Confirmed the responsibilities of the audit committee members that it includes (but not limited to) the following: • Advise the municipal council, political	The disclosure of the allowance the municipality pays to all the audit committee members for their services as related parties is caused by the misinterpretation of GRAP 20 requirements by management.	The related party disclosure to the annual financial statements is overstated by the amount of fees for services the municipality pays to the audit committee members. The misstatement is a factual misstatement of R635 000 as well as the comparative amount.	Management should monitor and review the compliance with all applicable laws and regulations as well as accounting framework/ GRAP standards in the preparation of the annual financial statements of the municipality.	R635 000,00	Management agrees and will adjust AFS.	Management's response is noted; upon receipt of the adjusted AFS the management, note 61 Related parties has been audited and the adjustment as well as the disclosure note post adjustment has been confirmed to be valid and accurate. Therefore, he finding is resolved.	No	Resolved	DCFO and CFO	Monthly	To included both regulation 45 and GRAP 20 register on MANCO report.	The reviewed Interim Financial Statements are at 80% completions and will be submitted to Internal Audit, Audit Committee and Provincial Treasury for review by 28th February 2026. The related party note has been adjusted accordingly on the interim financial	

		office bearers, accounting officer and management on; internal financial control and internal audits, risk management, e.t.c. • Respond to the Council on any issues raised by the Auditor General (SA) in the audit report, • Carry out investigations into the financial affairs of the municipality as the council of the municipality may request • At least twice during the												statements.	

		financial year, submit an audit committee report to municipal council; amongst others. Further, confirmed that all three members of the audit committee has signed their declaration of Interest that they are not carrying out any business with the municipalit y or municipalit y entity which confirms that they exercise the above-mentioned duties as Independe nt. Therefore,													

		based on the above details neither of the members of the audit committee is responsible for planning, directing and controlling the activities of the municipality or has an ability to control or jointly control the municipality or exercise significant influence over the municipality or vice versa.													

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
11	Material variances not explained	During the audit of the Statement of Comparison of Budget and Actual Amounts the following issues were identified: 1. The explanation provided for the material variance relating to the Sale of goods and rendering of services (N1) is inadequate, as the variance does not relate to VAT. 2. Material variances	Management's oversight was inadequate to ensure that appropriate review procedures were performed, compromising the understandability, accuracy, and fair presentation of the annual financial statements.	The finding results to non-compliance with the GRAP 24 disclosure requirements.	Management should ensure that thorough reviews are performed, to ensure that the annual financial statements are understandable, accurate and fairly presented.	R0,00	Management agrees with the findings, AFS will be adjusted.	The adjustment has been audited and verified, confirming that the necessary corrections were appropriately implemented; therefore, the finding is resolved.	No	Resolved	Manager Budget and Reporting, DCFO and CFO	2026/02/28	To ensure comply with IFS and AFS preparation plan and before submiting IFS and AFS for audit management to conduct proper review of financial statement.	The IFS preperation plan has been developed and the vaiances have been explained on the line items that will not have changes until the submission date.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		not explained													
12	Incorrect comparative amounts	During the auditing of presentation and disclosure of note 50 Gain / (Loss) on disposal of assets, noted that the comparative amount is not the same as the amount in the Statement of Financial Performance for the year ended June 30, 2025	Inadequate review of the Annual Financial Statements	The total balance of loss on disposal of assets and liabilities has been overstated by a factual amount of R22 688 479 on the note to the Annual Financial Statement.	Management should adequately review the Annual Financial Statements, all the statements including the statement of financial performance and the notes to the Annual Financial Statements and confirm that the notes agrees with the face of the AFS.	R22 688 479,00	Management agrees with the finding	Management's response is noted; upon receipt of adjusted annual financial statements, loss on disposals of assets and liabilities and the related note 50 of the AFS has been audited and confirmed the adjustment made to be valid and accurate. Therefore, the finding is resolved.	No	Resolved	Manager Assets and Stores, DCFO and CFO	2026/02/28	To ensure comply with IFS and AFS preparation plan and before submiting IFS and AFS for audit management to conduct proper review of financial statement.	In progress - Notes and face of Financial statements in the Interim financial statement has been reviewed,	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
13	MFMA additional disclosure	Note 66 narations are not accurate	This is due to lack of proper reviews for the narrations in the AFSs.	This will result to presentation errors in the financial statements.	Management should ensure that the narrations in the AFSs are all reviewed for accuracy and validity before submission to the AGSA for audit.	R0,00	Management agrees with the finding. No adjustments on AFS will be made.	Management comment has been noted, management has adjusted the AFSs to correct the narrations.	No	Resolved	DCFO and CFO	2026/02/28	To ensure comply with IFS and AFS preparation plan and before submiting IFS and AFS for audit management to conduct proper review of financial statement.	The reviewed Interim Financial Statements are at 80% completions and will be submitted to Internal Audit, Audit Committee and Provincial Treasury for review by 28th February 2026. The narrations have also been attended to on the	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
														Interim Financial Statements	
14	PPE: Incorrect infrastructure depreciation calculations	A difference in depreciation between management and auditor calculations as follows:	The cause of the finding is due to management not reviewing work done by the experts to ensure the calculations are accurate.	The difference will result to a projected overstatement of depreciation by R1 803 890 and understatement of infrastructure assets by the same amount.	Management should ensure that the depreciation calculations are properly reviewed to minimize the risk of misstatement.	R1 803 890,00	Management agrees with the finding. No adjustments on AFS will be made.	Management comment has been noted, the finding remains and will be accumulated with other mistatements identified.	No	Schedule of uncorrected misstatements	Manager Assets and Stores, DCFO and CFO	28-Feb-26	Correct prior year AFS durinng interim financial statement	Prio period error journal has been proposed and FAR has been updated.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
15	Incorrect narrative for Operating lease receivable note	During the auditing of presentation and disclosure of note 4 Operating lease receivables noted the following narrative comment: "All lease agreements payments have an annual increase between 7% - 10%." Confirmed from the list of lease agreements for 2024-25 that one of the agreements specifically Public Works - DSRAC	Inadequate review of the Annual Financial Statements	Incorrect presentation of operating lease receivable	Management should adequately review the Annual Financial Statements; all the statements including the notes to the Annual Financial Statements and confirm that the narrative for each note is valid and accurate.	R0,00	Management agrees with the finding. AFS will not be adjusted.	Management's response has been noted, and management agrees with the finding however no adjustments have been made. Therefore, the finding remains.	No	Schedule of uncorrected misstatements	Manager Revenue, DCFO, CFO	2026/02/28	To updated note on IFS, on mounthly basis will review operating lease register.	The note will be updated before submision of interim financial statements	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		Offices has an escalation of 6% per annum. Also, confirmed on lease agreement between the municipality and the EC Department of Public Works and Infrastructure that the agreement has an escalation of 6% per annum. This invalidates the narrative to the note mentioned above as the Public Works agreement falls													

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		outside the range of 7-10%.													

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
16	Indigent banaficiaries	**Issue 01 – Duplicated beneficiaries** The beneficiaries per the list below have received both paraffin and solar benefits during the 2024/25 financial year. **Issue 02 – Spouse is a director** The beneficiary with ID number 8303240930081 that received paraffin in the current financial year however she has a	Issue 01 - Duplicated beneficiaries This is due to a breakdown in controls where management did not reconcile the list of solar beneficiaries to the list of paraffin beneficiaries. Issue 02 - Spouse is a director The CAATs data of the municipality did not pick up this exception. Issue 03 – Verificatio	Issue 01 - Duplicated beneficiaries Confirmed per management explanation that the first provision is the solar in order to ensure that the beneficiary has a long lasting benefit that does not result in financial assistance annually, therefore, when the beneficiary already has received	Management should ensure that the indigent status is verified annually, additionally, management should ensure that there are controls which includes the reconciliation between the listings to ensure that there is no double dipping.	R528 000,00	Issue 01 - Duplicated beneficiaries Management agrees and no adjustment will be made in AFS. Issue 02 - Spouse is a director Management agrees. Issue 03 – Verification Management agrees.	Management agrees with all the issues in the finding, the issues therefore remain, the R528 00 will be accumulated with other mistatements in revenue and receivables as as understatement.	No	Schedule of uncorrected misstatements	Manager Revenue, DCFO, CFO		Review and update monthly indigent register. To perform qaurterly CAATs verification on indigent register.	CAATs verification has been recived in January and the indigent register has been updated accordingly	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		spouse that is a director of company with a CIPC number K2024/184169/07, therefore, the household is not indigent. **<u>Issue 03 – Verification</u>** There is no evidence that management verified the indigent status of the beneficiaries bi-annually as required by the policy.	n This is due to financial constraints	solar, they should not receive paraffin, The misstatement will therefore be projected based on the paraffin expenditure for financial impact. The financial impact of the double dipping is therefore R528 00 relating to the paraffin expenditure. This will be reported in the MR.											

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
				Issue 02 – Spouse is a director This will result in an immerging risk which will be reported in the MR. Issue 03 – Verification This will result to a non-compliance with the indigents policy and an internal control deficiency that will be reported											

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
				in the MR.											

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
17	Casting and referencing errors identified	**1.Casting Error and incorrect** Casting error of the surplus for the year and incorrect description (Surplus for the year) for the R18,106,450. **2. Incorrect reference and insufficient** information provided regarding restatement • Trade and other receivables are incorrectly referenced to N1	Inadequate review of the Annual Financial Statements	The impact of the above finding is an overstatement of the totals by R 36 390 197.	Management should ensure that thorough reviews of annual financial statements are conducted to ensure that accurate and understandable information is fairly presented in the annual financial statements.	R36 390 197,00	Management agrees with the finding and AFS have been adjusted.	Management's response is noted. The adjusted AFS were audited, and it was confirmed that management made the necessary corrections; accordingly, the finding has been resolved.	No	Resolved	DCFO and CFO	2026/02/28	To ensure comply with IFS and AFS preparation plan and before submiting IFS and AFS for audit management to conduct proper review of financial statement.	The reviewed Interim Financial Statements are at 80% completions and will be submitted to Internal Audit, Audit Committee and Provincial Treasury for review by 28th February 2026. The casting errors that were identified during the	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
		which relates to VAT misclassification. • Insufficient information provided regarding the restatement of Receivables from non-exchange (N3) i.e. the description as to why the net effect of the correction is zero (0) has not been included.												previous year's audit have been taken care off and proper reviews on the current interim financial statements have also been done.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
18	Disclosures: Segment Information	In the process of auditing the disclosure requirements for Segment Information, we have identified that the municipality did not disclose the following line items as reportable segments or as part of reconciliations as required by the relevant GRAP standards.	The omission of the above mentioned financial line items on the segment information is caused by lack proper review of the Annual Financial statements and GRAP disclosure requirements.	The total segmental and entity surplus/(deficit) on note 56 segment information of the AFS has been overstated by a factual amount of R16 494 565 in the current year and R59 354 812 for the comparative amount	Management should monitor and review the compliance with all applicable laws and regulations in the preparation of the annual financial statements of the municipality.	R16 494 565,00	Management agrees with the finding and AFS have been adjusted.	Management's response is noted. The adjusted AFS were audited, and it was confirmed that management made the necessary corrections; accordingly, the finding has been resolved.	No	Resolved	DCFO and CFO	2026/02/28	To ensure comply with IFS and AFS preparation plan and before submiting IFS and AFS for audit management to conduct proper review of financial statement.	The reviewed Interim Financial Statements are at 80% completions and will be submitted to Internal Audit, Audit Committee and Provincial Treasury for review by 28th February 2026. The segmant reporting errors that were identifie	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
														d during the previous year's audit have been taken care off and proper reviews on the current interim financial statements have also been done.	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
19	Cashflow Statement variances	During the audit of Cash Flow Statement, variances and disagreement between face and a note were noted	The cause of the finding is due to management not reviewing the work done by experts to ensure that calculation is accurate.	The Cash Flow Statement does not faithfully represent the municipality's cash flow, as per GRAP 2.	Management should ensure that the cash flow statement calculations are properly reviewed to minimize the risk of misstatement.	R788 000,00	Management agrees with the finding and AFS have been adjusted.	Management's response is noted. The adjusted AFS were audited, and it was confirmed that management made the necessary corrections; accordingly, the finding has been resolved.	No	Resolved	DCFO and CFO	2026/02/28	To ensure comply with IFS and AFS preparation plan and before submiting IFS and AFS for audit management to conduct proper review of financial statement.	The reviewed Interim Financial Statements are at 80% completions and will be submitted to Internal Audit, Audit Committee and Provincial Treasury for review by 28th February 2026. The errors on cash flow statement that were identifie	

CoA F #	Finding	NATURE	Root Cause	Impact	Auditors Recommendation	Amount	Management comment	Auditors conclusion	Repeat(Yes/No)	AFS, APR or Conclusion	Responsible Person	Due Date	Action Plan	Progress as at February 2026	Action Plan Status
														d during the previous year's audit have been taken care off and the proper reviews on the current interim financial statements have also been done.	

EC STANDARDISED PERFORMANCE INDICATORS

CIRCULAR NO. 1 OF 2014 (MUNICIPAL ANNUAL REPORT)

CONSIDERATION OF KEY PERFORMANCE INDICATORS IN THE DEVELOPMENT OF THE ANNUAL REPORT

The following is the list of indicators that were agreed upon and on how the performance information should be populated:-

Chapter: Organisational Transformation and Institutional Development –KPA 1

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	231	225	97,4%	Resignations
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	7	6	85,7%	Resignation
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	0	0	0	0
4	Percentage of Managers in Technical Services with a professional qualification	5	4	80%	Resignation

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
5	Level of PMS effectiveness in the DM – (DM to report)	Individual performance management has been cascaded to all municipal employees, the municipality has cascaded automated (Online) performance management to all employees who directly report to management. Quarterly Performance Assessment are conducted and the LM does reward service excellence through the Employee Excellence Awards that are conducted annually.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5-year term	124	80%	80%	None
8	Percentage of councillors who attended a skill development training within the current 5-year term	55	56%	56%	None
9	Percentage of staff complement with disability	4%	1%	1%	Be improved by conducting disability compaign
10	Percentage of female employees	58%	58%	58%	None
11	Percentage of employees that are aged 35 or younger	16%	16%	16%	None
12	Adoption and implementation of a HRD including Workplace Skills Plan	155	124	80%	None

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	35 593	13 207	**DISTRICT FUNCTION**	**DISTRICT FUNCTION**	**DISTRICT FUNCTION**
2	Percentage of indigent households with access to free basic potable water	**DISTRICT FUNCTION**	**DISTRICT FUNCTION**	**DISTRICT FUNCTION**	**DISTRICT FUNCTION**	**DISTRICT FUNCTION**

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	45 940	2 860	414	414	100%

2	Percentage of indigent households with access to basic electricity services	924	0	924	809 (The decline in the number of indigent beneficiaries for electricity tokens was because quite a substantive number of beneficiaries failed CAATS Verification and were deemed not eligible to benefit)	88%
3	Percentage of indigent households with access to free alternative energy sources	1830	0	1830	1829 (Subsidized 1829 indigent beneficiaries with solar and 840 of the overall 1829 beneficiaries received solar charge controllers; one beneficiary was deemed to have passed away during CAATS Verifications)	99%

Annual performance as per key performance indicators in sanitation services (DISTRICT FUNCTION)

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	DISTRICT FUNCTION	DISTRICT FUNCTION	DISTRICT FUNCTION	DISTRICT FUNCTION	DISTRICT FUNCTION
2	Percentage of indigent households with access to free basic sanitation services	DISTRICT FUNCTION	DISTRICT FUNCTION	DISTRICT FUNCTION	DISTRICT FUNCTION	DISTRICT FUNCTION

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual KMs)	Kms achieved during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	680	246	148.7 km	141.6 km	95%
2	Percentage of road infrastructure requiring upgrade	Emaxesibeni town is fully surfaced. Kwabhaca town only left with 4.5 km's to be fully surfaced, construction under way.This is a Multi-year Project to be completed in 2024/2025 financial year.	4.5	N/A	N/A	N/A

3	Percentage of planned new road infrastructure actually constructed	1 081 km	246 km	6.4 km	7.4 km	100%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	R45 850 000.00		6%		

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	14 705	12 644	2061	2061	100%
2	Existence of waste management plan	The municipality has developed and adopted an integrated wate management plan (IWMP) as a legal guide for waste operational services. The IWMP has been endorsed by the MEC and is implemented by the municipality.				

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year

1	Percentage of households living in informal settlements					
2	Percentage of informal settlements that have been provided with basic services	Chithwa and Silver City informal settlement – Construction under way, both at 85% complete. Sewer, water and internal roads		Completion of sewer and water	1239	85%
3	Existence of an effective indigent policy	The municipality has an Indigent Policy that it implements towards provision of free basic services and that it continuously reviews and updates on an on-going basis. The municipality provides free basic services in the form of paraffin, solar and electricity from Eskom. Paraffin and solar is provided to indigent households who are not connected to the main grid.				
4	Existence of an approved SDF	The objective is to promote orderly development and sustainable livelihood by implementing sound spatial principles and land use management.				
5	Existence of Land Use Management System (LUMS)	The municipality has developed land use management scheme, Spatial Planning and Land Use Management by-laws to regulate, control and manage land use within the municipal area				

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	01	01	100%
2	Percentage of LED Budget spent on LED related activities.	100%	R	90%
3	Existence of LED strategy	**The LED Strategy was developed on the year 2020.The service trading as Urban Acon developed the strategy bas it was facilitated by the Department of COCTA.**		
4	Number of LED stakeholder forum meetings held	16	23	110%
5	Plans to stimulate second economy	N/A	N/A	N/A
6	Percentage of SMME that have benefited from a SMME support program	100%	30	100%
7	Number of job opportunities created through EPWP	500	619	110%
8	Number of job opportunities created through PPP	N/A	N/A	N/A

Chapter: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name			
1	**Status of the audit outcome**	Unqualified with no findings		
2	**Submission of AFS after the end of financial year**	Both the AFS & APR were timeously submitted to the office of the Auditor-General on the 31st August 2025 as legislated		
		Target set for Capital Budget (R000)	Achievement level during the year R(000)Amount spent against capital budget (R000)	Percentage spent on capital budget during the year vs the actual revenue
3	**Percentage of expenditure of capital budget**	R386 656	R172 695	37%
		Operational budget R000 for the year under review	Amount spent on employee related costs & councillor remuneration (expenditure on salaries budget) against operational budget	Achievement percentage during the year

4	**Percentage of salary budget as of the total operational budget**	R463 612	R115 468	25%
		Target set for the year (own revenue) R(000)	Achievement level Trade creditors during the year R(000)	Achievement percentage during the year
5	**Total municipal trade creditors**	R341 319	R44 949	13%
		Target set (actual total budget) in the year under review	Achievement level (own revenue) in the year under review	Achievement percentage during the year
6	**Total municipal own revenue as a percentage of the total actual budget**	R110 043	R75 247	68%
		Indicate previous financial year' s municipal debtors	Indicate municipal debtors for the year under review	Achievement percentage (reduction rate)
7	**Rate of municipal consumer debtors' reduction**	R19 252	R16 015	17%
		Indicate MIG budget for the year under review	Indicate actual expenditure on MIG budget	Achievement percentage
8	**Percentage of MIG budget appropriately spent**	R51 384 000	R51 384 000	100%

9	**Municipalities with functional Audit Committee**	The Council appointed three independent members. Audit Committee is functional with 3 independent members selected from different areas of expertise to enhance the audit committee's overall knowledge of the municipality or entity and the ability to discharge its obligations and provide appropriate recommendations to the council. Umzimvubu local municipality Audit Committee members acquired the following skills: • Financial Management • Legal • Admin and Governance (i.e. Internal Audit, Risk Management, IT, Human Resources, Planning etc. • Performance Management Audit Committee terms of reference was adopted by Council and Audit committee is executing their responsibilities as set in the approved Audit Committee Charter.

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	% of ward committees established	280	280
2	% of ward committees that are functional	% of ward committees that are functional	100%	100%
3	Existence of an effective system to monitor CDWs	Quarterly meetings between Community Development Workers, COGTA and the municipality continue to sit where reports on work done by the CDWs are tabled.		
4	Existence of an IGR strategy	ULM has an IGR Strategy founded on the following: (i) the need for sound cooperative governance as mandated by the Constitution of the Republic of South Africa (Act 108 of 1996), Chapter 3 thereof, which is dedicated to Co-operative Government, and (ii) also noting the need for integration and coordination between the three spheres of government, using Intra and Inter-governmental relations as a vehicle to foster this integration and coordination. ULM, ANDM, Sector Departments & Parastatals therefore pledged on the following: 1) Work together in strengthening inter-governmental relations giving effect to the provisions of the Constitution, the IGR Framework Act, 2005 and other policy imperatives. 2) Collectively implement the ULM Inter-Governmental Relations Strategy towards an integrated service delivery. 3) Support the District & Provincial Inter-Governmental Relations Forum in assisting us to ensure an integrated and efficient governance in the Eastern Cape.		
5	Effective of IGR structural meetings	Umzimvubu LM has a functional IGR Forum that sits twice in a year. Attendance of sector departments, parastatals and the District municipality remains a challenge though it has improved as compared to previous years.		
6	Existence of an effective communication strategy	The Communication strategy is in place until 2027 with its Communication Action Plan that is reviewed annually. The last reviewal was in June 2024.		
7	Number of mayoral imbizos conducted	02	02	100%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
8	Existence of a fraud prevention mechanism	ULM Council has assigned the Anti-Corruption and fraud management to Internal Audit Unit. Internal Audit Unit has conducted a whole range of activities including awareness campaigns. The Anti-Corruption and Fraud Management policy and implementation plan is available and is being reviewed by the Council on an annual basis. The Audit Committee has been monitoring the implementation and application of appropriate fraud risk response strategies designed by management to prevent and detect fraud. The municipality has a Financial Misconduct Board in place that was established in terms of the MFMA regulations and this board provides guidance to the municipality on the steps to be taken regarding financial misconduct cases. The board has Audit Committee representative in line with the MFMA regulations.		

UMZIMVUBU LOCAL MUNICIPALITY

COUNCILLOR FIANCIAL DISCLOSURE FORMS FOR 2024/2025

No	COUNCILLOR NAME	DESIGNATION	FINANCIAL DISCLOSURE
01.	Cllr. Z. Ndevu	Mayor	Completed fully and submitted
02.	Cllr. N.G. Mdzinwa	Speaker	Completed fully and submitted
03	Cllr. N.F. Ngonyolo	Chief Whip	Completed fully and submitted
04.	Cllr. T. Sokhanyile	Portfolio Head SP and Communications	Completed fully and submitted
05	Cllr. N. Nkula	Portfolio Head Budget and Treasury	Completed fully and submitted
06	Cllr. I. Nodali	Portfolio Head Corporate Services	Completed fully and submitted
07	Cllr. X. Jona	Portfolio Head Local Economic Development	Completed fully and submitted
08	Cllr. A.N. Garane	Portfolio Head Infrastructure and Planning	Completed fully and submitted
09	Cllr. N. Sonyabashi	Portfolio Head Citizens and Community Services	Completed fully and submitted
10	Cllr. M. Mataka	MPAC Chairperson	Completed fully and submitted
11	Cllr. N. Mnyaiza	EXCO Member	Completed fully and submitted
12	Cllr. T. Ntsalaze	EXCO Member	Completed fully and submitted
13	Cllr. M. Magobane	EXCO Member	Completed fully and submitted
14	Cllr. M. Kiviet	Ward 01	Completed fully and submitted
15	Cllr. N. Hlanekela	Ward 02	Completed fully and submitted
16	Cllr. A. Mkonto	Ward 03	Completed fully and submitted
17	Cllr. L. Mapala-Bera	Ward 04	Completed fully and submitted
18	Cllr. T. Ngxabi	Ward 05	Completed fully and submitted

19	Cllr. V. Gogela	Ward 06	Completed fully and submitted
20	Cllr. N. Xolo	Ward 07	Completed fully and submitted
21	Cllr. D. Ndema	Ward 08	Completed fully and submitted
22	Cllr. A. Jakuja	Ward 09	Completed fully and submitted
23	Cllr. W.Z. Nqakwana	Ward 10	Completed fully and submitted
24	Cllr. P.P. Magujulwa	Ward 12	Completed fully and submitted
25	Cllr. N. Gogela	Ward 11	Completed fully and submitted
26	Cllr. C.L. Noqhakala	Ward 13	Completed fully and submitted
27	Cllr. S. Mathebe	Ward 14	Completed fully and submitted
28	Cllr. M.G. Ngwaqa	Ward 15	Completed fully and submitted
29	Cllr. B.R. Salukazana-Khehle	Ward 16	Completed fully and submitted
30	Cllr. N. Jwara	Ward 17	Completed fully and submitted
31	Cllr. T.E. Sincindi	Ward 18	Completed fully and submitted
32	Cllr. V.B. Sobayi		Completed fully and submitted
33	Cllr. X. Lungu		Completed fully and submitted
34	Cllr. N. Nomnganga		Completed fully and submitted
35	Cllr. M. Kakaza		Completed fully and submitted
36	Cllr. Z.G. Mampemvini		Completed fully and submitted
37	Cllr. M.B. Jonase		Completed fully and submitted
38	Cllr. N.V. Giwu		Completed fully and submitted
39	Cllr. M. Tuku		Completed fully and submitted

40	Cllr. S. Faye		Completed fully and submitted
41	Cllr. L. Mveku		Completed fully and submitted
42	Cllr. N.B. Mphekeqana-Mdingi		Completed fully and submitted
43	Cllr. N. Mantshongo		Completed fully and submitted
44	Cllr. F. Sontsi		Completed fully and submitted
45	Cllr. M. Hlanekela		Completed fully and submitted
46	Cllr. P.K. Thingathinga		Completed fully and submitted
47	Cllr. M. Sonyabashe		Completed fully and submitted
48	Cllr. B.T. Ngqasa		Completed fully and submitted
49	Cllr. D.N. Ntshobane		Completed fully and submitted
50	Cllr. C.M. Madyibi		Completed fully and submitted
51	Cllr. N.B. Nogada		Completed fully and submitted
52	Cllr. N.V. Nomnganga		Completed fully and submitted
53	Cllr. L. Gwentshu		Completed fully and submitted
54	Cllr. F. Ntwakumba		Completed fully and submitted
55	Cllr. M.H. Ngqasa		Completed fully and submitted

UMZIMVUBU LOCAL MUNICIPALITY

MANAGEMENT FIANCIAL DISCLOSURE FORMS FOR 2024/2025

No	EMPLOYEE NAME	DESIGNATION	ANNEXURE C Financial Disclosure
01.	Mr. GPT Nota	Municipal manager	Completed Fully
02.	Mr. L Moleko	Senior Manager Infrastructure & Planning	Completed Fully
03.	Mr. K Mehlomakhulu	Chief Financial Officer	Completed Fully
04.	Mrs. N Zembe	Snr. Manager Special Programs & Communications	Completed Fully
05.	Mr. A Makanda	Senior Manager Local Economic Dev	Completed Fully
06.	Dr. K Tshazi	Senior Manager Citizens and Community Services	Completed Fully
07.	Mr. T Funani	Acting Snr. Manager Corporate Services	Completed Fully
08.	Mr. T Funani	Manager Information Communication Technology	Completed Fully
09.	Miss N Ndongeni	Manager Human Resources	Completed Fully
10.	Mr. M Siyolo	Manager Sound Governance	Completed Fully
11.	Mr. T Matola	Manager Local Economic Development	Completed Fully
12.	Ms. Z Mbono	Manager Public Participation	Completed Fully
13.	Mr. M Ngejane	Manager Special Programs	Completed Fully
14.	Mr. K Kalashe	Manager Communications & PR	Completed Fully
15.	Mr. BJ Ntlamba	Manager Community Safety	Completed Fully
16.	Mr. N Fani	Manager Community Services	Completed Fully
17.	Mrs. C Nenemba	Manager Office of the Municipal Manager	Completed Fully
18.	Mr. Z Tyebisa	Manager IDP and PMS	Completed Fully

19.	Miss T Novukela	Manager Internal Audit	Completed Fully
20.	Mr. S Mbusi	Deputy Chief Financial Officer	Completed Fully
21.	Mr. L T Luzipho	Manager Budget and Reporting	Completed Fully
22.	Mr. S Jojo	Manager Assets Management	Completed Fully
23.	Ms. N Majova	Manager Expenditure	Completed Fully
24.	Mr. T Mbukushe	Manager Supply Chain	Completed Fully
25.	Mr. L Matshoba	Manager Revenue	Completed Fully
26.	Mr. L Bingwa	Project Manager: New Projects	Completed Fully
27.	Mr. L Maqalekana	Project Manager: Maintenance	Completed Fully
28.	Ms. Z Qwane	Project Manager: New Projects	Completed Fully

Ward Information and Ward Reporting

The Exco IDP Outreach was conducted as per the allocated dates on the Year Planner, commenced from the **14th – 17th October 2024** in all 28 ULM Wards. All 28 ULM Wards revised their Ward Priorities, and the next phase will be to capture the deliberations of the IDP Outreach Sessions.

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
Day 1 – 14th October 2024	*1*	Cllr. M. Kiviet	Cllr. N. Nomnganga	The community is facing a challenge of waste management, the trucks from different places come and tip rubble in their ward in brooksnek. The community is not happy with the process for the construction of 500 brooksnek housing.	ANDM & Human Settlements
	2	Cllr. N. Hlanekela	Cllr. L. Nkula	Mnambithi Donga Rehabilitation were not paid and the constructor left the site. They also have a problem of the projects that's were left incomplete by Human settlement where there are slabs. Lubaleko Springs are not functioning.	Human Settlement & ULM

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
	3	Cllr. AP Mkhonto	Cllr. Garane	Gugwini pipe was damaged during road construction and the meeting request culverts to replace the pipe	ULM
	4	Cllr. Lindiswa Mapala-Bera	Cllr. N. Mnyayiza	None	
	5	Cllr. Thobilizwe Ngxabi	Cllr. Mdzinwa	Network tower in Dambeni never works, Unavailability of Senior Manager Infrastructure when needs its more than a year now.	ULM &
	6	Cllr. V. Gogela	Cllr. Ngonyolo	The Community Does Not have access to Water ,in Gobozi and Cibane there is no water ,they Request Water Schemes,Sisulwini water Schemes is not working ,the operator does not attend to issues and meetings ,additional water taps are required. The community request an assessment of a bridge in Mqhokweni	ANDM AND ULM
	7	Cllr. N. Xolo	Cllr. Nodali	High Masts in Santombe are not working they need maintenance. Grow high in Santombe community request Support and site.	ULM
	12	Cllr. P. Magujulwa	Cllr. Mnyaiza	Unrequested households during the implementation of ward 12 detritions, 3 households they do not have electricity. Damaged electricity box key pads in Ntibane ,Tyeni villages. Incomplete Construction of Nophoyi Sport Field. Incomplete construction of Ntibane Water Supply Scheme. Delay of response from disaster department.	ESKOM,ULM ANDM
	26	Cllr. M. Tuku	Cllr. Ndevu	None	

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
Day 2 15th October 2024	8	Cllr. Des Ndema	Cllr. Nkula	None	ULM
	9	Cllr. A. Jakuja	Cllr. Ngonyolo	The community Report of Mnceba Scheme that do not provide water in the surroundings of the ward	ANDM
	10	Cllr. W.Nqakwana	Cllr. Jona	The main challenge was the electrification of Diana and Nciniba	ULM
	11	Cllr. N Gogela	Cllr. Mataka	Water Challenges across the Ward. the Community ask the Team leader to be changed because he is Old.	ANDM & ULM
	13	Cllr. CL Noqhakala	Cllr. Sokanyile	The is a challenge of water Schemes in the ward that are not functioning	ANDM
	28	Cllr. L. Mveku	Cllr Ndevu	Chithwa sewerage deposited into the river. Potholes not attended to. the issue of alternative entrance be considered. 3 high mass not connected	ULM
Day 3 16th October 2024	14	Cllr. S. Mathebe	Cllr. Nodali	Niona ABC AR was maintained but it was never Completed as per the expectation of the project steering committee and the community members. MT Horeb School needed to be urgently upgraded because its condition is seriously deteriorating.	ULM & Education
	15	Cllr. M.Ngwaqa	Cllr. Ngonyolo	None	15
	16	Cllr. B. Khehla-Salukazana	Cllr. Sokhanyile	Water tanks at Sipilini not working. Re open of borehole in Bobobane for water Supply. Water Tanks at Nkulisa not supplying water.	ANDM

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
	17	Cllr. N. Jwara	Cllr. Mdzinwa	The community has an issue with overflowing sewer which is not being attended to by ANDM. ANDM has not yet provided water services to all the villages as promised in all the IDPs.	ANDM
	18	Cllr. T. Sincindi	Cllr. Ndevu	Municipality is silent on the Tax/Bus rank issue. Nothing is said about the 15% portion of MIG Funding towards Badibanise Stadium. Hardwares not moved from town yet	ULM,Publics Works & Dept of Transport
	19	Cllr. V.B. Sobhayi	Cllr. Garane	None	
	20	Cllr. X. Lungu	Cllr. Sokhanyile	ADHOC Plant it was divided by the community that it only maintained one village, the community wanted to know is it a scope of work from the Municipality. The community asked if Dangwana Clinic cannot be changed Health Care Centre as they close early. Wifi Pole in Lucingweni,Cabane,Sibangweni &Mpemba had requested ,they have not receive any response. Request Municipality to Fence their grave yard.	ULM ,Dept of Health
Day 4 – 17 October 2024	21	Cllr. N. Nomnganga	Cllr. Garane	Residence were concerned about sanitation that was never done for the past 20 years. Mhlanganiweni has only one Tap for the whole Village.	ANDM
	22	Cllr. M. Kakaza	Cllr. Nkula	Four households in Njijini were left out during the installation of Solar. the community request Ngqabavane water operator. Bangweni Bridge Maintenance needs to be attended to ugently.	ANDM & ULM
	23	Cllr. Z. Mampemvini	Cllr. Mataka	ANDM did not attend the IDP they sent officials whereby the community could not engage with them, most of the questions ask they don't know the answers.	ANDM

Outreach Date	Ward No.	Ward Councilor	Team Leader	Service Delivery Challenges Raised	Responsible Sector Department / Parastatal
	24	Cllr. M. Jonase	Cllr. Mnyayiza	The community of Singqushweni have a challenge of Road, even the ambulance can not reach the community. The is no water in all villages. There is no School Transport for Tshisane to Luyengweni	ANDM,ULM &Education
	25	Cllr. N.Giwu	Cllr. Jona	Majority of people they do not have Identity Documents. Speed humps to all access roads in ward 25.Ngojini access roads pipe are blocked.	SASSA& ULM
	27	Cllr. S.Faye	Cllr. Nodali	None	

Wards	PROJECT NAME	2024/25FY BUDGET	EXPENDITURE	COMMENTS
16	Sipilini Community Hall	R 3 100 000,00	R 3 206 902,94	Completed
3	Gugwini Community Hall	R 3 000 000,00	R 3 016 190,58	Completed
21	Nthutha Community Hall	R 3 000 000,00	R 2 975 582,44	Completed
18	Surfacing of Kwa Bhaca Internal Streets Phase 8	R 14 122 620,00	R 14 276 871,87	Multi-year
26	Lower Cabazana Community Hall	R 2 874 291,00	R 2 814 536,15	Completed
14	Mpungulelweni Access Road	R 9 870 734,00	R 10 745 631,28	Completed
18	Installation of Kwa Bhaca Highmasts	R 5 285 328,00	R 5 790 242,89	Completed
20	Tholeni Access Road	R 3 747 027,00	R 3 683 335,32	Completed
13	Mt White Concrete slab	R 1 000 000,00	R 256 715,48	Multi-year
19	Bhakaleni to Sekileni via Mqoma Access Road	R 8 100 000,00	R 8 749 554,99	Multi-year
21	Bhubesini Electrification	R 1 278 000,00	R 553 827,65	Additional scope link line
11	Mtshikawuze Electrification	R 2 850 000,00	R 2 536 980,17	Infrastructure completed, Energisation pending
20	Ntelezini Electrification	R 4 120 000,00	R 3 806 015,91	Completed
11	Rode Electrification	R 2 420 496,00	R 1 674 540,99	Infrastructure completed, Energisation pending
28/07	Santombe Electrification	R 4 341 091,00	R 4 082 083,73	Completed
4	Sixhotyeni Electrification	R 4 341 091,00	R 3 171 432,41	Infrastructure completed, Energisation pending
15	Kumhlokwana Electrification	R 1 617 000,00	R 927 720,01	Infrastructure completed, Energisation pending
7	Emadameni Electrification	R 2 227 000,00	R 2 225 512,49	Infrastructure completed, Energisation pending
20	Langeni Electrification	R 1 825 000,00	R 1 198 649,75	Infrastructure completed, Energisation pending
23	Gxaku Access Road	R 2 246 421,00	R 2 244 132,40	Completed
10	Ngqumane Access Road			Completed
17	Lubhacweni Access Road	R 313 490,00	R 313 489,99	Completed
13	Tyinirha Bridge	R 739 670,00	R 702 684,85	Completed
6	Mqhokweni Bridge	R 6 427 764,00	R 6 719 539,38	Completed
9	Mhlozini Access Road	R 4 500 000,00	R 4 277 909,17	Completed
5	Bonga Access Road	R 4 250 000,00	R 3 724 119,47	Completed
	Lovu AR	R 1 598 000,00	R 1 115 937,00	Completed
5	Sirhoqobeni Cluster	R 2 000 000,00	R 1 612 449,50	Completed
5	Sirhoqobeni slab	R 1 250 000,00	R 955 075,00	Completed
18	Badibanise internal streets	R 3 500 000,00	R 3 305 025,23	Completed
13	Ngcozana Access Road and bridge	R 7 250 000,00	R 6 122 559,49	Completed
27	Sibhozweni Access road	R 2 500 000,00	R 2 313 035,30	Completed
1	Mvakomzi AR Maintenance	R 1 719 417,00	R 1 719 302,90	Completed
2	KwaNyathi to Mnambithi AR - New	R 2 495 103,25	R 2 495 103,23	Completed
3	Mnqwane AR Maintenance	R 1 505 971,00	R 1 505 688,57	Completed
6	Sikolweni AR Maintenance	R 1 201 231,35	R 827 373,25	Rolled Over
7	Nyathini Bridge	R 2 349 421,25	R 2 077 687,75	Rolled Over
9	Lusuthu AR Maintenance	R 1 146 302,75	R 1 146 302,75	Completed
10	Ngxashini AR Maintenance	R 1 540 166,25	R -	Rolled Over
11	Magontsini AR Maintenance	R 1 585 681,85	R 1 109 139,35	Completed
12	Lutateni AR Maintenance	R 1 647 800,50	R 1 647 799,81	Completed
14	Nqalweni AR new	R 1 597 844,00	R 991 967,94	Rolled Over
15	Ntenetyana - Godola AR Maint	R 1 975 142,25	R 1 362 674,10	Rolled Over
17	Ncunteni AR Maint	R 2 060 375,65	R 1 230 566,34	Completed
22	Velem via Mthonjeni - Gamakhulu AR Maintenance	R 2 460 848,90	R 1 658 358,08	Completed
23	SDA - Magwaca AR Maint	R 1 770 375,55	R 1 121 328,66	Rolled Over
22	Ngojini via Ngxonga AR Maint	R 1 645 279,13	R 1 479 505,83	Rolled Over
25	Mnxekazi AR Maint	R 1 999 995,98	R 2 299 884,76	Completed
27	Mbodleni, Bhibha via Cabazi AR Maint	R 2 197 903,00	R 2 304 572,89	Completed
28	New Street lights 30	R 950 000,00		Completed
19	Zimbileni via Mntwana AR Maint	R 1 100 000,00	R 522 962,50	Rolled Over
9	Phuti Eco Hub Renovation	R 450 000,00		Completed
18	Kwa Bhaca Shooting Range Phase 1 (Retaining Wall, access road,	R 8 432 193,39		Completed

Backlog for the 2024/25 FY

Alfred Nzo District	Population	Households
Matatiele LM	225 562	55 757
Umzimvubu LM	214 477	48 800
Winnie Madikizela Mandela LM	350 000	62 479
Ntabankulu LM	146 423	28 365
Alfred Nzo DM total	**936 462**	**199 840**

Water			
Access	%	Backlog	%
41 051	74%	14 706	26%
35 593	73%	13 207	27%
28 576	46%	33 903	54%
14 920	53%	13 445	47%
153 877	77%	45 963	23%

Sanitation			
Access	%	Backlog	%
51 072	92%	4 685	8%
47 792	98%	1 008	2%
55 410	89%	7 069	11%
25 245	89%	3 120	11%
133 892	**67%**	**65 948**	**33%**

Refuse Removal			
Access	%	Backlog	%
16 626	30%	39 131	70%
836	2%	47 964	98%
9 997	16%	52 482	84%
7 176	25%	21 189	75%
34 635	**17%**	**165 205**	**83%**

Electricity (Grid)			
Access	%	Backlog	%
47 127	85%	8 630	15%
46 467	95%	1 806	4%
56 304	90%	6 175	10%
22 994	81%	5 371	19%
172 892	**87%**	**26 948**	**13%**

Municipal Base Line	Roads			
Nr of KM's	Access (km)	%	Backlog (Km)	%
254	121	48%	479,3	189%
680	441,3	65%	238,7	35%
1574	1064,4	68%	510	32%
768	464,2	60%	304	40%
3276	**2091**	**64%**	**1532**	**47%**

Municipal Base Line	Sports & Recreational Facilities			
Nr	Access (Nr)	%	Backlog (Nr.)	%
9	5	56%	4	44%
54	11	20%	43	80%
32	30	94%	2	6%
19	3	16%	16	84%
114	**49**	**43%**	**65**	**57%**

Municipal Base Line	Community Halls			
Nr (Wards)	Access (Nr)	%	Backlog (Nr.)	%
9	8	89%	1	11%
54	38	70%	16	30%
32	11	34%	21	66%
19	17	89%	2	11%
114	**74**	**65%**	**40**	**35%**

Municipal Base Line	Housing

Nr	Access (Nr)	%	Backlog (HH)	%
30 597	7147	6%	23450	94%
30 200	10 573	35%	19 627	65%
28 365	9991	35%	18 374	65%
89162	**27711**	**31%**	**61451**	**69%**