



**ANNUAL REPORT
2024/2025
FINANCIAL YEAR**

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CHAPTER 1: MAYORS FOREWARD AND EXECUTIVE SUMMARY

1.1 COMPONENT A – MAYORS FOREWARD

It gives me great pleasure to present the 2024/25 Annual Report of uMgungundlovu District Municipality, which serves as a comprehensive account of the Municipality's performance, achievements, challenges and lessons during the past financial year. This report is a critical instrument of transparency and accountability to our communities, stakeholders and all spheres of government.

The period under review unfolded within a complex and demanding socio-economic environment, characterized by persistent challenges of poverty, inequality and unemployment. Despite these constraints, uMgungundlovu District Municipality remained resolute in advancing its constitutional and developmental mandate, guided by the principles of cooperative governance, sound financial management and people-centered service delivery.

Central to our approach has been the implementation of the District Development Model (DDM), which promotes integrated planning, coordination and collaboration across all spheres of government and with social partners. In line with this model, we continue to strengthen the Social Compact, recognizing that government alone cannot overcome the deep-seated socio-economic challenges facing our society. Meaningful partnerships with civil society organizations, Traditional Authorities, Faith-Based Organizations, organizations representing persons with disabilities, as well as structures representing women, youth and children, remain indispensable in driving inclusive growth, social cohesion and nation building.

We wish to express our sincere appreciation to all our stakeholders for their constructive engagement, commitment and support throughout the year. Their contributions have enriched our programmes and ensured that our interventions are more responsive to the lived realities of our communities. This collaborative spirit is fully aligned with the vision of the National Development Plan, which calls for active citizenry and collective action to build a capable developmental state and an inclusive economy.

The current Annual Report outlines both our successes and shortcomings in relation to our political mandate as provided for in the key focus areas of local government.

These can be summarised as follows:

- building a Municipality that is efficient, effective and responsive;
- strengthening accountability and promoting clean and ethical municipal operations;
- accelerating service delivery while prioritising and supporting the most vulnerable members of our communities;
- promoting inclusive economic growth and broader social development;
- and fostering development partnerships, social cohesion and active community participation.

This Annual Report further reflects the extent to which uMgungundlovu District Municipality has delivered on its mandates during the 2024/25 financial year, with a special focus on our core mandate of providing sustainable water and sanitation services. Significant effort and resources have been directed towards improving access, reliability and quality of water and

sanitation infrastructure, while also addressing historical backlogs and operational challenges. These interventions are fundamental to protecting public health, restoring dignity and enabling socio-economic development across the district.

While notable progress has been made, we acknowledge that challenges remain. We are committed to learning from these experiences and to continuously improving our systems, governance practices and service delivery models. Going forward, we will intensify our focus on infrastructure development, financial sustainability, institutional capacity and deepened community participation.

On behalf of Council, I wish to thank the Honourable Councillors, management and staff of uMgungundlovu District Municipality for their dedication, professionalism and commitment to serving our communities. I also extend my gratitude to the residents of uMgungundlovu District for their patience, resilience and active involvement in local governance processes.

Together, through sustained partnerships and shared responsibility, we will continue to build a caring, capable and developmental district that delivers an improved quality of life for all who live in uMgungundlovu.

We are privileged and honoured to serve you!!!



The Mayor

Cllr M Zuma

1.2 COMPONENT B – EXECUTIVE SUMMARY

(a) Municipal demographics overview

uMgungundlovu District Municipality bordered by: The Ilembe District Municipality to the east; the uMzinyathi District Municipality to the north-east; the Ethekewini Metropolitan Municipality to the south-east; the Harry Gwala District Municipality to the south-west; and both the Okhahlamba-Drakensberg World Heritage Site and the Uthukela District to the north.

The District consists of seven Local Municipalities, namely: Msunduzi; Impendle; Umshwathi; Mkhambathini; Mpofana; Umngeni; and the Richmond Local Municipality. uMgungundlovu District Municipality is a Category C Municipality, with its seat in Pietermaritzburg. Its area of jurisdiction covers seven local municipalities.

The District covers about 9514.594 square kilometers, it has a population of 1,017,763 (one million, 17 thousand, seven hundred and sixty-three) according to Census 2011. The District constitutes about 10% of the Province of KwaZulu-Natal and it is number two in size after EThekweni Metro. uMgungundlovu is surrounded by these municipalities: eThekweni to the southeast (Durban), iLembeU to the east (DC29), Harry Gwala to the southwest (DC43), UGu to the south (DC21), uMzinyathi to the north (DC24) and UThukela to the northwest (DC23). Languages spoken: isiZulu, English, Afrikaans and other.

(b) Good governance and Intergovernmental relations

The current Municipal full Council is composed of 47 councillors from eight (4) political parties. The Municipal Council at its meeting in May 2024 approved a revised Integrated Development Plan (IDP) for implementation, the approval was done after extensive consultation with internal and external stakeholders. The IDP as the strategic plan for development informs the Municipal Budget and the annual Service Delivery and Budget Implementation Plan (SDBIP). The planning and implementation processes are guided by the assigned Powers & Functions of our municipality, which are listed below:-

Services rendered

Sewage purification works and sewage disposal at six local municipalities, Integrated development planning for the district as a whole with alignment to the Integrated Development Plans of the local municipalities in the District, Supply of water and sanitation to six local municipalities, Solid waste management throughout the district, Establishment and management of cemeteries and crematoria in six local municipalities, Emergency services (Fire and Disaster Management) in six local municipalities, Promotion of local economic development in the district, Promotion of tourism development in the district, Town and Regional Planning and Geographic Information services throughout the district. Environmental Health Services.

Services not yet rendered

Municipal airports, Municipal health services, Establishment and management of fresh produce markets and abattoirs and Regulations relating to passenger services

This Annual Report for 2024/2025 presents work done during the financial year in implementing the assigned Powers and Functions as listed above. We can confirm to the community and readers of this report that we did all possible within the limits of the resources available to implement our legal mandate. We implemented the priorities of the community under the guidance of the Municipal Council approved IDP. We enjoyed better coordination and support of sector departments and State-owned entities through the Intergovernmental relations (IGR) and the District Development Model (DDM). We witnessed improvements in our IGR systems through enhanced projects planning, implementation and reporting. We have implemented

enhanced public participation mechanisms in order to ensure vibrant community participation especially the youth and women who are the majority victims of poverty and unemployment.

(c) Local Economic Development

Our main economic drivers as prioritised in the LED strategy all require extensive investment for improved development and productivity. We have implemented various interventions in support of Small, Medium and Micro Enterprises (SMME) development and continued to maintain functional LED and forum. The Municipality in collaboration with other key stakeholders supported SMMEs in all sectors through provision of training, funding, marketing, and creating access to markets and information. The uMgungundlovu District SMME Support programme was a success. All local mayors and Councillors were invited to join the district SMME handover and presented 241 beneficiaries with different equipment on the 17 April until the 08th May 2025 at the local municipalities venues.

(d) Institutional Development & Transformation

The municipality conducted an extensive review and thereafter approved necessary institutional policies meant to ensure compliance with laws and regulations as well as to ensure business controls. The main Council structures included the Executive Committee, Portfolio Committees, Municipal Public Accounts Committee, the Audit Committee covering all Key performance areas and administrative departments. Executive Committee Members are chairpersons of portfolio committees. The Municipal Council meets monthly to consider recommendations from the Executive Committee and/or the Portfolio Committees through the Executive Committee report that gets tabled at Council by the Honourable Mayor. The Executive Committee meets on a monthly basis to consider matters tabled to it by the Municipal Manager together with the management team.

The Organisational Structure for 2024/2025 was designed to achieve the strategic objectives of the municipality with a total of 821 positions and 552 positions filled and 259 vacant positions. The administration is clustered into six areas of service delivery or departments. There are five Section 56 Managers reporting to the Municipal Manager.

(e) Financial Viability and Management

The 2024/25 Annual adjusted budgets were funded by both grant and own generated funding. We also report that the main budget together with the Adjustments budgets for the year were assessed by National Treasury as compliant and funded.

In the 2025 financial year, the municipality achieved a notable increase in revenue from exchange transactions, driven by higher service charges reflecting cost-reflective tariffs. The collection rate improved to 59% from 47% in 2024, though it remains below the National Treasury norm of 95%.

Creditors were paid within the 30-day norm, supported by strengthened financial controls, while capital expenditure remained prudent at 13% of total expenditure, within the prescribed 10–20% range. The municipality recorded an operating surplus of R92.4 million, down from R216.0 million in 2024 due to increased expenditure.

Liquidity improved, with a current ratio of 1.21:1, indicating sufficient short-term assets to cover obligations, and a debt-to-revenue ratio of 21%, well below the 45% threshold. The municipality's solvency strengthened slightly to 85%, and a cash coverage ratio of 2.3 months confirms the capacity to meet monthly operational expenses. Overall, the municipality demonstrates sound financial management, maintaining stability while investing in service delivery.

Risk registers were developed for all departments within the municipality detailing the risks identified on all the strategic objectives outlined in the Integrated Development Plan, root causes and the rating of the effectiveness of the existing internal controls for the risks identified was performed.

(f) The top five (5) risks faced by the municipality were identified:

No.	Risk description	Residual Risk Rating
1.	Vulnerability to Fraud and Corruption	Critical
2.	Inability to achieve air quality compliance in line with the requirements as per the National Environmental Management Act and Air Quality Act	Major
3.	Inability to meet current water and sanitation services demand across the district areas	Major
4.	Inability to respond timeously, effectively and efficiently in the event of a disaster	Major
5.	Inability to create an enabling environment to develop and grow the local economy	Major

This report records all mitigating measures that have been effectively implemented and such has seen a reduction in the number of risks identified in our risk profile. However, the municipality is mindful of the fact that some of the risks identified are inherent to the nature of the functions performed.

(f) Basic Service Delivery

The municipality has made many strides in attempting to ensure basic services for all. This including formation of strategic partnerships as well as approaching many funding streams. To date many citizens, receive water, however there are areas which fall under backlog category and those that fall under refurbishment programme.

Operation and maintenance measures are put in place to ensure that water supply to communities remain sustainable 24 hours. Repairs are done immediately faults are repaired to the satisfaction of all citizens timeously. During the Financial year 2024/2025 several projects were Implemented in communities that are living under without services and some projects as refurbishment and as well completed projects.

The municipality does involve all sector departments' in the IDP Representative Forum in order to integrate infrastructure plans. This integration of work has led to notable improvement though more work still needs to be done in order to attain total alignment of work programmes/ projects. The introduction of the District Development Model (DDM) as a government wide intergovernmental relations coordination mechanism promises better results in our public service function.

We are determined to serve our community better.



Municipal Manager

DR EX Muthwa

VISION, MISSION AND CORPORATE VALUES



VISION

UMDM is geared towards creating an economically vibrant, socially inclusive, environmentally resilient district with thriving communities and universal infrastructure for all by 2027 and beyond.



MISSION

The uMgungundlovu District Municipality will through sound governance and community participation, ensure the provision of equitable and sustainable services and economic growth.



CORPORATE VALUES

Driven by the aspirations of the people, we strive to achieve our vision and mission through:

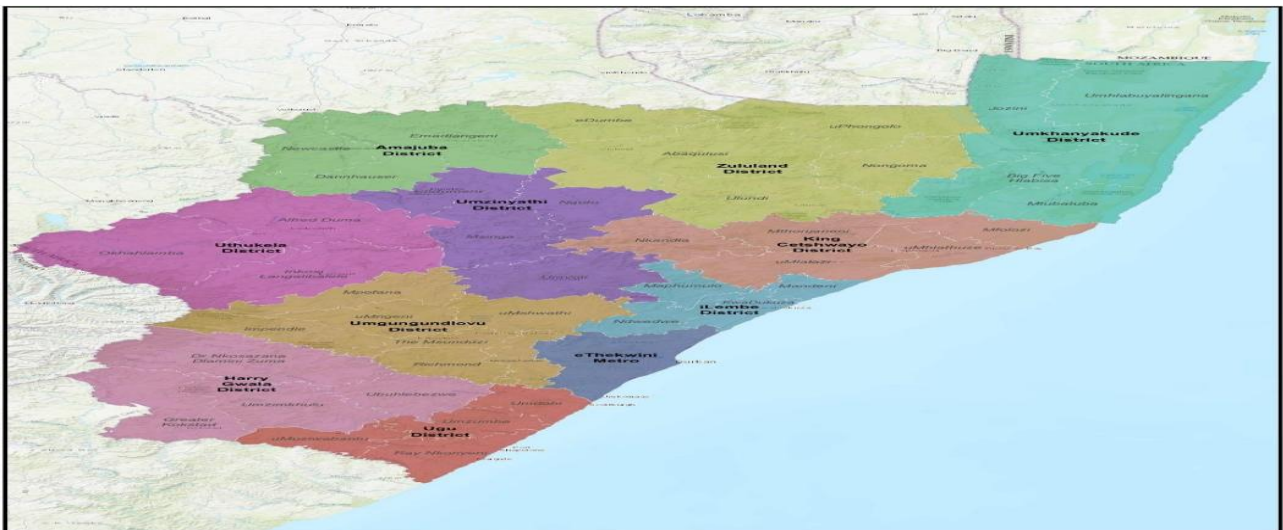
- 1) Providing services according to the Principles of Batho Pele (People First)
- 2) Practicing Ubuntu
- 3) Accepted codes of practices and standards of professionalism
- 4) Teamwork and commitment,
- 5) A high standard of work ethic, and
- 6) Constant engagement with stakeholders.

UMGUNGUNDLOVU DISTRICT MUNICIPAL GOALS (TEN POINT PLAN):

- Metro (step by step roadmap to our common vision)
- Universal access to services (100%access)

- Maintenance plan (reliable provision of services)
- Radical Economic Transformation (setting up of a functional Developmental Agency)
- Community Partnerships (EPWP and Co-operatives)
- Good governance (sustaining the clean audit)
- Sustainable IGR (a structured Mayors Forum)
- Monitoring and Evaluation (through the SDBIP's)
- Special Programmes (for the vulnerable communities)
- Achieving sustainable development and climate change mitigation

1.3 OVERVIEW OF THE DISTRICT MUNICIPALITY



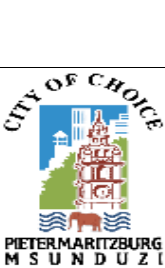
WHO ARE WE?

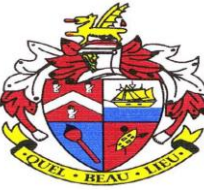
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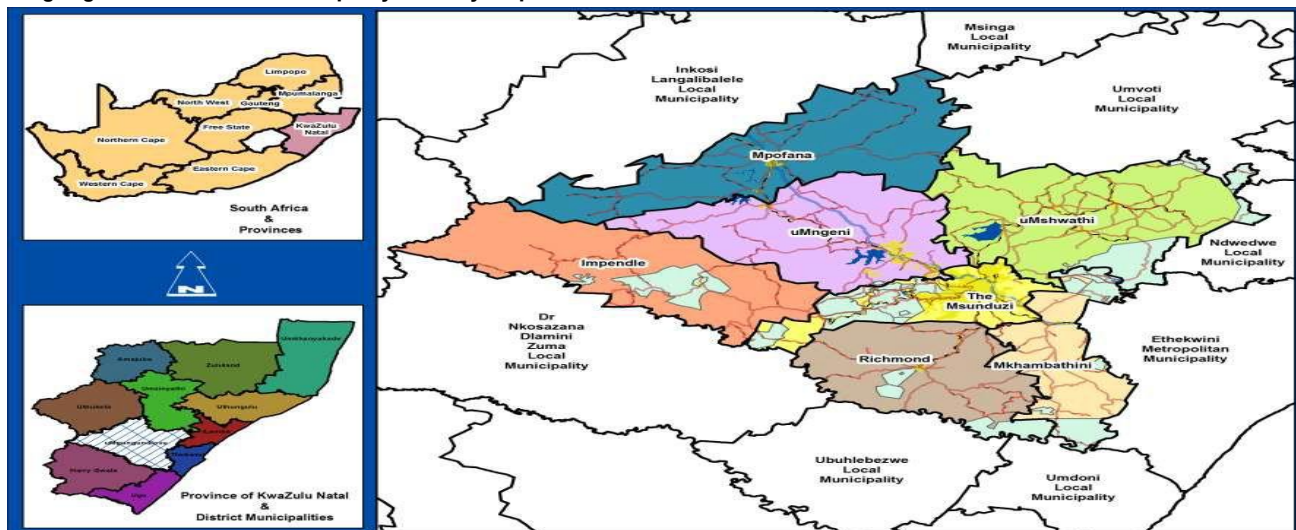
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	KZ221 UMSHWATHI MUNICIPALITY: in square kilometres uMshwathi Municipality is the largest of the six Local Municipalities in the District with major urban centres in New Hanover, Wartburg, Dalton and Cool Air. Substantial rural residential settlements are to be found at Swayimane, Mpolweni, Thokozani and Ozwathini.	
	KZ222 UMNGENI MUNICIPALITY: incorporates Howick and Hilton and is ideally situated on the N3 development corridor. Significant manufacturing and industry is already established in the municipal area, with further developments in the pipeline.	
	KZ223 MPOFANA MUNICIPALITY: Agriculture and textiles form the backbone of economic development in the Mpoofana municipal area. Dairy farming is one of the drivers in the agricultural sectors followed by crops such as maize, potatoes, beans and peas. Some of the most well know stud farms are located	
	KZ224 IMPENDLE MUNICIPALITY: In Impendle, the World Heritage Site and the Drakensberg-Ukhahlamba Mountain Park accentuates the immense potential in the area for tourism, community based craft endeavours and micro enterprises. An abundance of water allows for a mixed agricultural economy, while the cold winters indicate opportunities for a deciduous fruit industry	
	KZ225 MSUNDUZI MUNICIPALITY: Situated in Msunduzi, Pietermaritzburg, is not only the District's primary urban centre and seat of the uMgungundlovu District Municipality's administration, but is the thriving, modern capital of KwaZulu-Natal. The city is a dynamic commercial and industrial centre and is also recognized as a seat of academic excellence.	

	KZ226 MKHAMBATHINI MUNICIPALITY: Significantly located on the N3 corridor. The municipality has a potential to grow through a diversified economy and on bridging the rural-urban divide.	
	KZ227 RICHMOND MUNICIPALITY: Has potential with a diversified economy in agriculture, tourism as it's endowed with rich natural resources. opportunities in manufacturing; timber and agro-processing.	

uMgungundlovu District Municipality Locality Map



1.3.1 POPULATION, SOCIO ECONOMIC OVERVIEW

DEMOGRAPHIC CHARACTERISTICS

uMgungundlovu District Municipality is bordered by: The Ilembe District Municipality to the east; the Umzinyathi District Municipality to the north-east; the Ethekwini Metropolitan Municipality to the south-east; the Harry Gwala District Municipality to the south-west; and both the Okhahlamba-Drakensberg World Heritage Site and the Uthukela District to the north.

The Statistical information contained in this report comes from Statistics South Africa (StatsSA) based on the recent Census 2022 results.

Introduction

The IDP responds to the triple challenges of poverty, inequality and unemployment. This is in line with the National and Provincial spheres of Government's priorities in addressing this triple challenge. The focus is also that of being citizen-centric

while carrying out the core mandates in the area of water and sanitation provision. This particular section of the IDP presents an analysis of data from primary sources such as Census 2022 (by Stats SA) and from secondary sources such as KZN Treasury, Umgeni Water, Eskom and others. The analysis is going to be in the following areas:

- Demographic profile (population size, age, gender, etc. Also this will incorporate some Economic analysis and other indicators such as Health and Education)
- Spatial and Settlement analysis-higher-level (detailed in a relevant sector plans)
- Environmental analysis-higher-level (detailed in relevant sector plans)
- Institutional analysis.

The above will inform the next Phase, which is the review of development objectives and strategies. It is worth mentioning that Council adopted its Vision with associated objectives in 2021 and again as part of this Final IDP in May 2024. This phase will be followed by the identification of projects, budget allocations and development of performance measures. Thereafter, it will be the integration of sector plans and approval.

Furthermore, the IDP is aligned with the International: SDGs, Regional: AU Agenda, Nationally: NDP, Provincially: PGDS/PGDP and DGDP.

GENERAL STATISTICS OF THE DISTRICT

The District is second in population size with 1 014 571 (one million, fourteen thousand, five hundred and seventy-one) in the Province after eThekweni Metro



CENSUS 2011	CENSUS 2022
1 014 572	1 235 715

Table 12 Population of the District and its municipalities.

MUNICIPALITY	CENSUS 2011	CENSUS 2022
DC22: UMGUNGUNDLOVU	1, 017,763	1,235,715
KZN225: MSUNDUZI	618,536	817,725
KZN221: UMSHWATHI	106,374	118,478
KZN227: RICHMOND	65, 793	62,754
KZN223: MPOFANA	38,103	33,382
KZN224: IMPENDLE	33,105	36,648
KZN226: MKHAMBATHINI	63,142	62,660
KZN222: UMNGENI	92,710	105,069

The table above shows growth change between 2011 and 2022 in the District family. The other growths and declines inter-municipalities is due to the dynamic pull and push factors such as communities migrating to seek better work or facilities opportunities. Rural to urban areas trend is dominant.

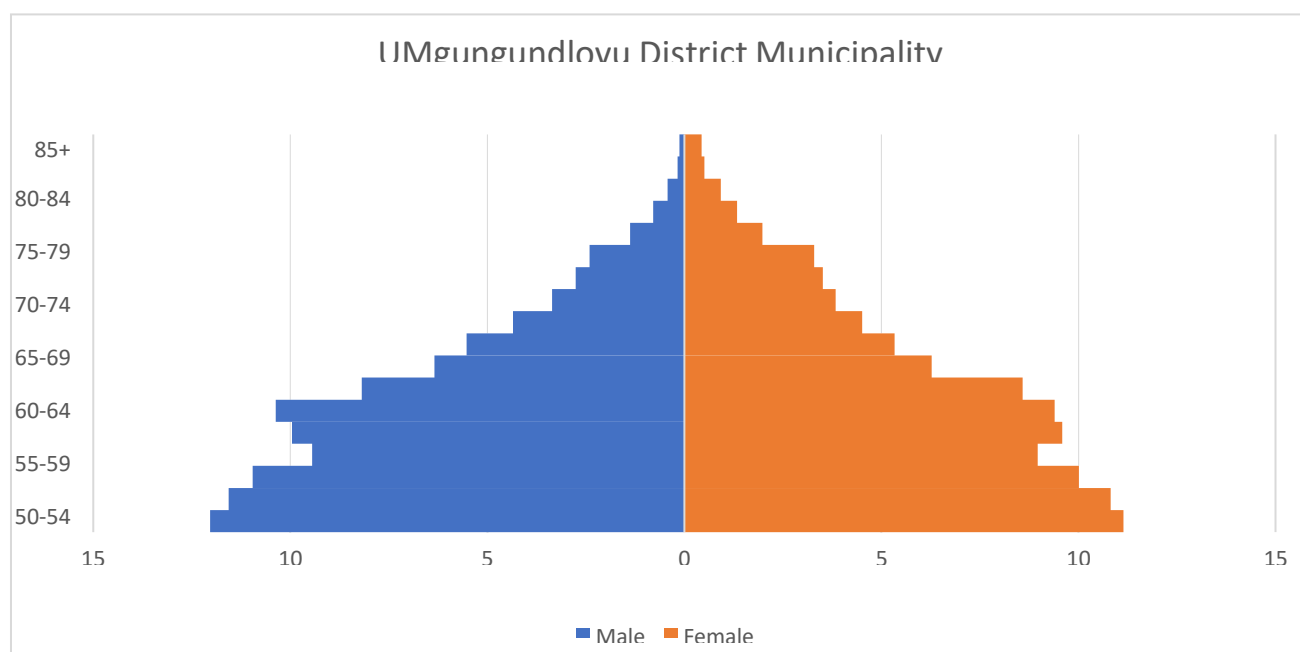
POPULATION BY SEX

Location	Male	Female
KwaZulu-Natal	5 919 217	6 504 690
DC22: Umgungundlovu	589 012	646 704
KZN221 : uMshwathi	55 837	62 641
KZN222 : uMngeni	50 012	55 057
KZN224 : Impendle	17 422	19 226
KZN225 : The Msunduzi	390 308	427 417
KZN226 : Mkhambathini	29 229	232 432
KZN227 : Richmond	30 440	32 313
KZN223 : Mpofana	15 764	17 618

Figure 12 Population by Sex

52,3 % of the population are female and 47,7 % are male.

POPULATION BY AGE GROUP



The Data is obtained from StatsSA. UMDM's population in 2022.

POPULATION DIVIDEND

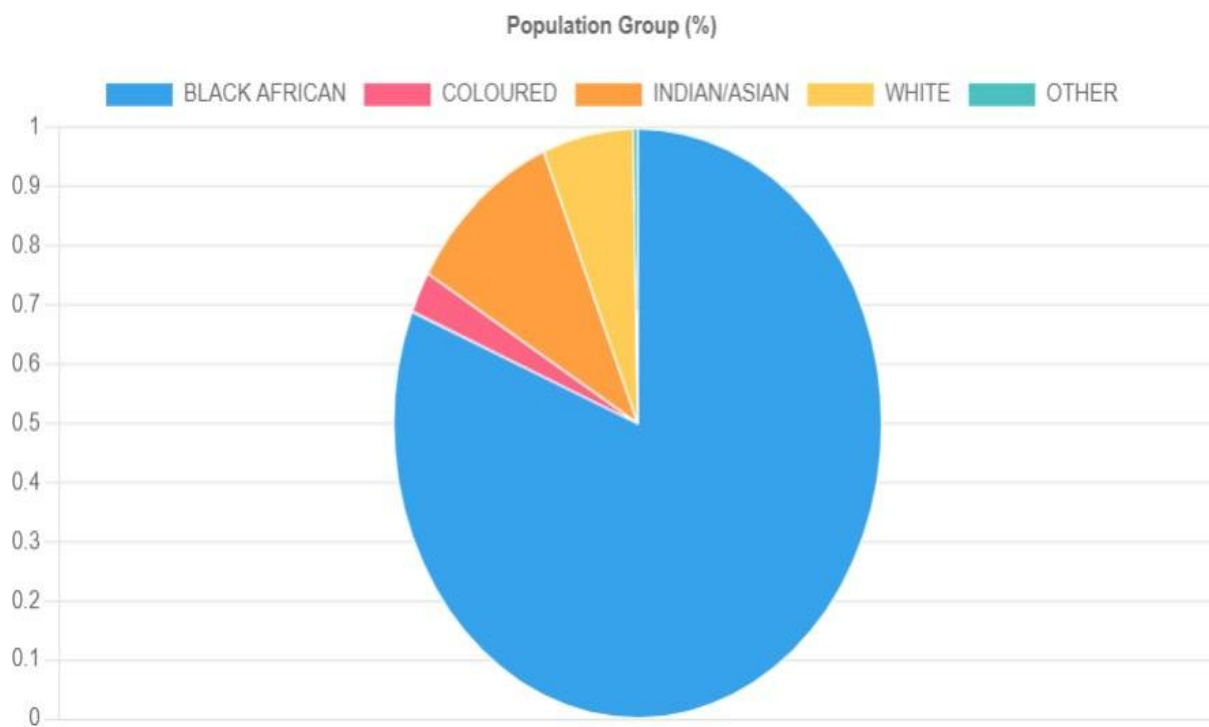
As the leading international agency on population and development issues, the United Nations Population Fund (UNFPA) developed the Demographic Dividend (DD) Programme Guide, which provide guidance on measures that countries need to implement to draw benefits from its demographic trends. There are two types of dividends the demographers have identified, both initially emanating from a sustained reduction in fertility. The first dividend is when the share of the population 15-64 years starts to rise, resulting in a 'youth bulge'. The second occurs when this bulge moves to older ages, where the share of the aging population become large.

The Graph above depicts how the uMgungundlovu District Municipality population dividend in bulging in the young population. Where we see a bulge between the 10-14 up until 30-34 years. This therefore impacts the municipality in terms of catering for the young community and ensuring that planning is influenced by the needs of this growing population.

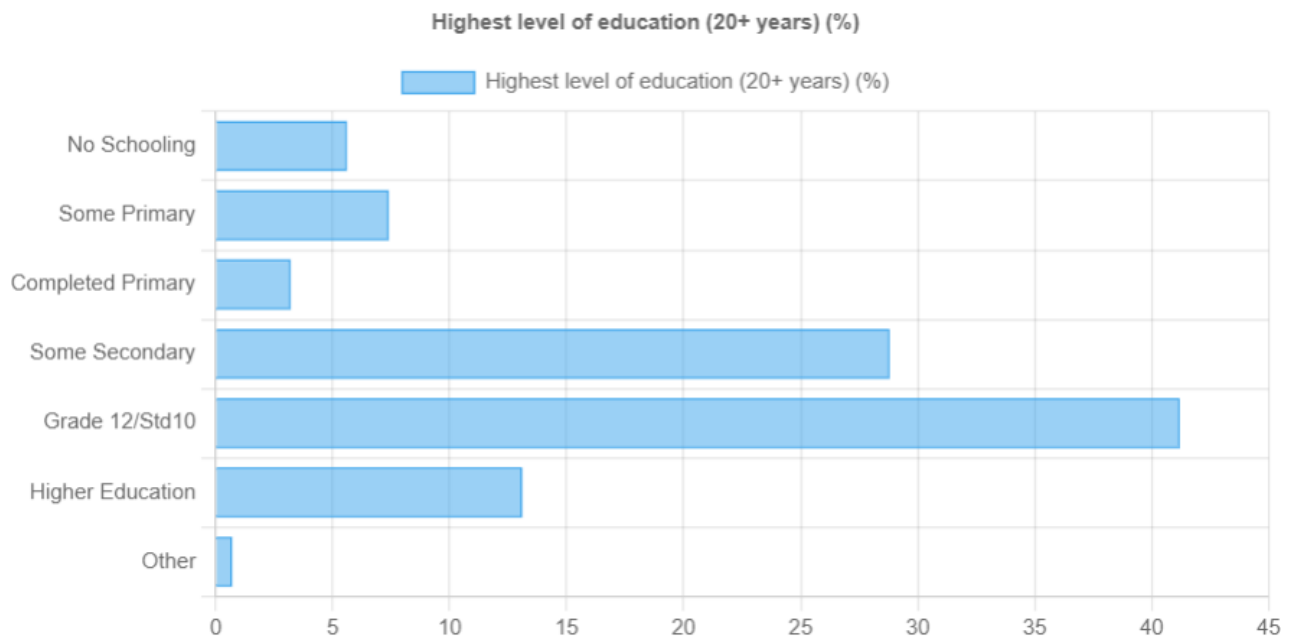
POPULATION BY RACE

Municipality	Black african	Coloured	Indian/asian	White	Other
DC22: Umgungundlovu	1 003 061	28 017	126 618	74 039	3 586

KZN221 : uMshwathi	112 080	358	2 488	3 307	161
KZN222 : uMngeni	70 088	2 365	8 003	24 013	562
KZN224 : Impendle	35 852	72	74	626	24
KZN225 : The Msunduzi	635 994	24 214	113 400	41 244	2 661
KZN226 : Mkhambathini	59 009	196	580	1 793	66
KZN227 : Richmond	60 070	616	900	1 081	40
KZN223 : Mpofana	29 968	196	1 172	1 975	71



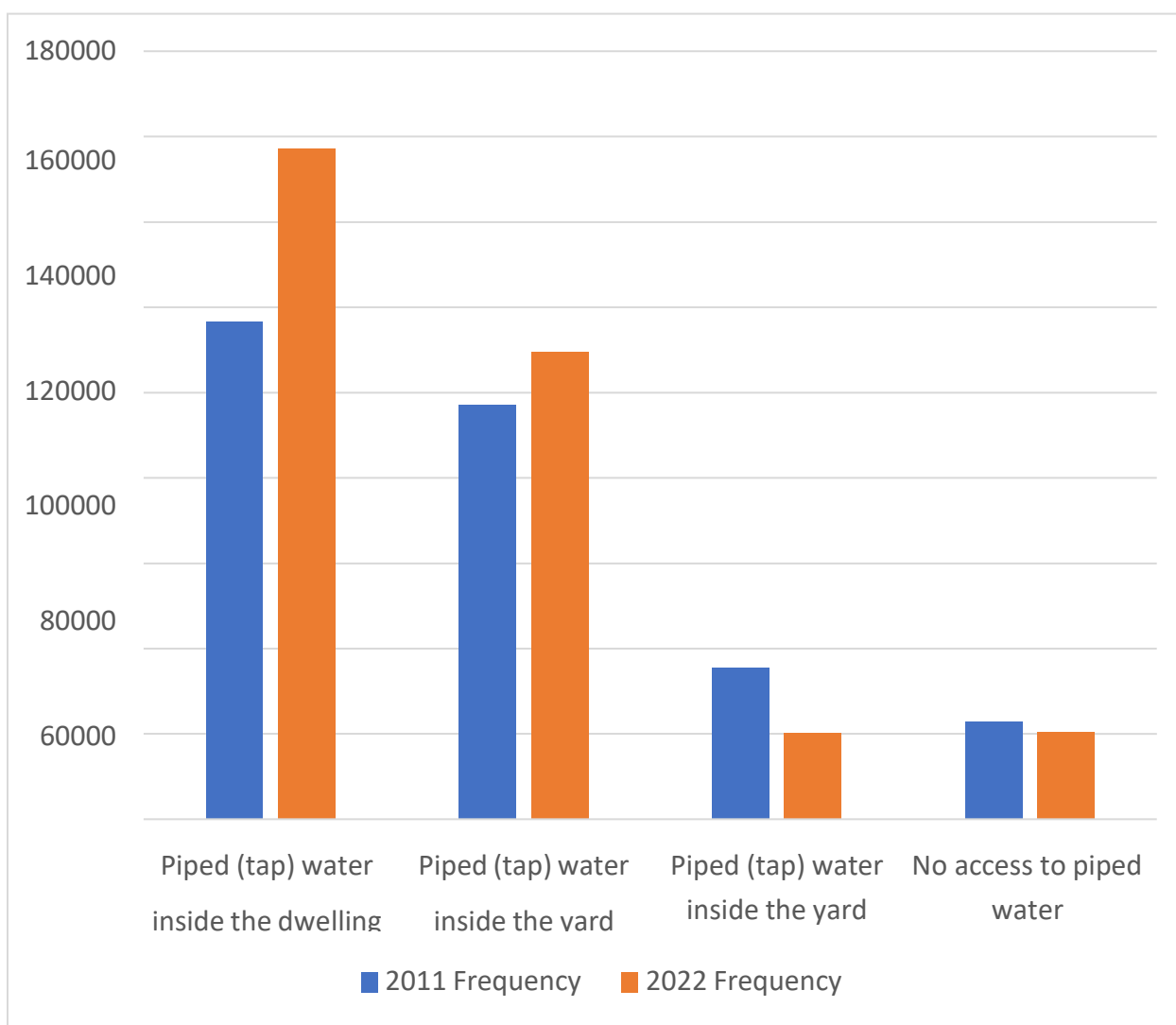
LEVELS OF EDUCATION



Name	Frequency	%
No Schooling	43 232	5,6%
Some Primary	57 712	7,4%
Completed Primary	24 669	3,2%
Some Secondary	223 869	28,8%
Grade 12/Std10	319 604	41,2%
Higher Education	101 804	13,1%

THE PROVISION OF BASIC SERVICES INDICATORS

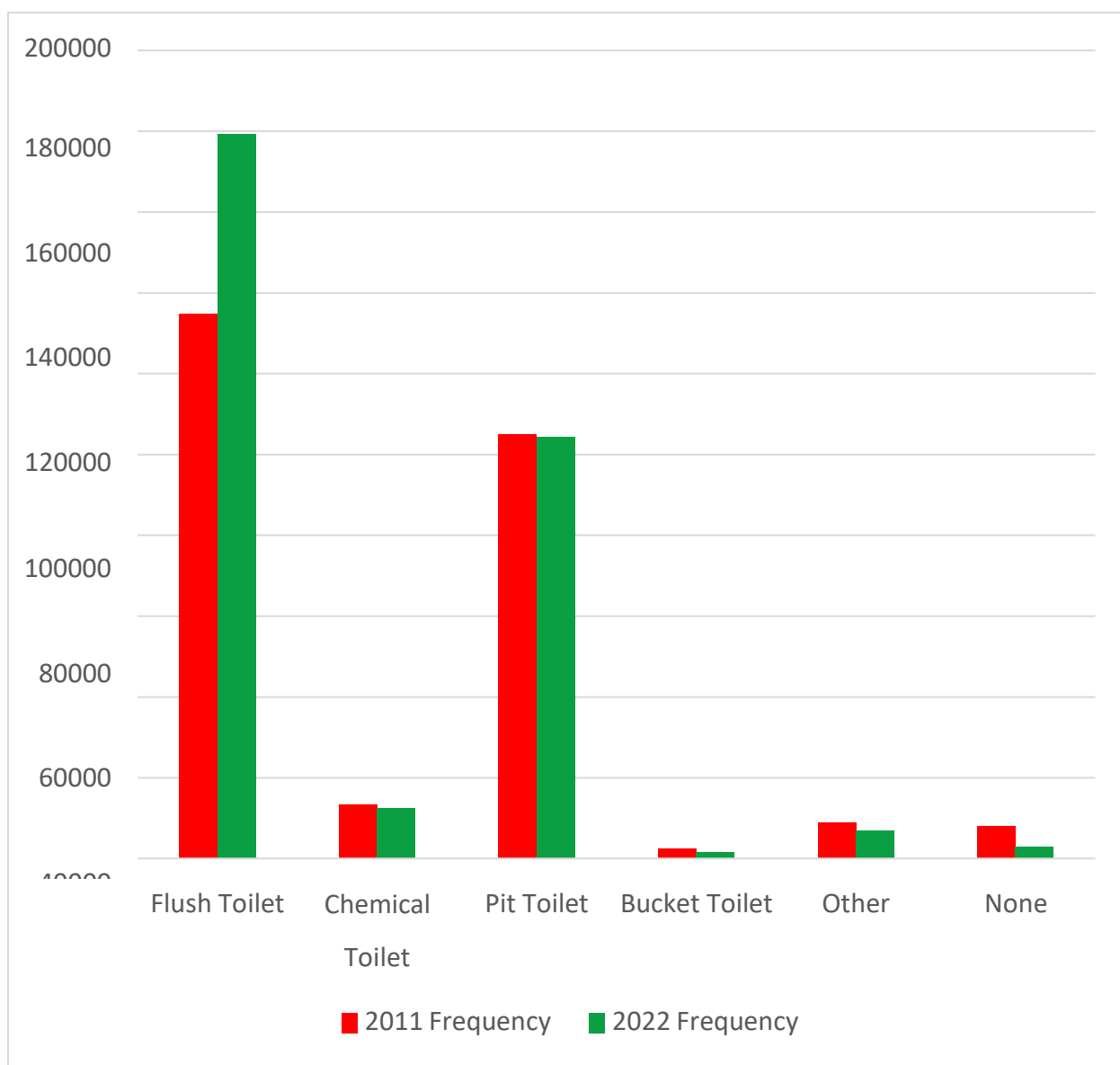
Name	2011 Frequency	%	2022 Frequency	%
Piped (tap) water inside the dwelling	116 689	42,8	157 288	51.1
Piped (tap) water inside the yard	97 215	35.7	109 578	35.6
Piped (tap) water on community stand	35 560	13.1	20 417	6.6
No access to piped water	22 893	8.4	20 559	6.7



Main Toilet Facilities

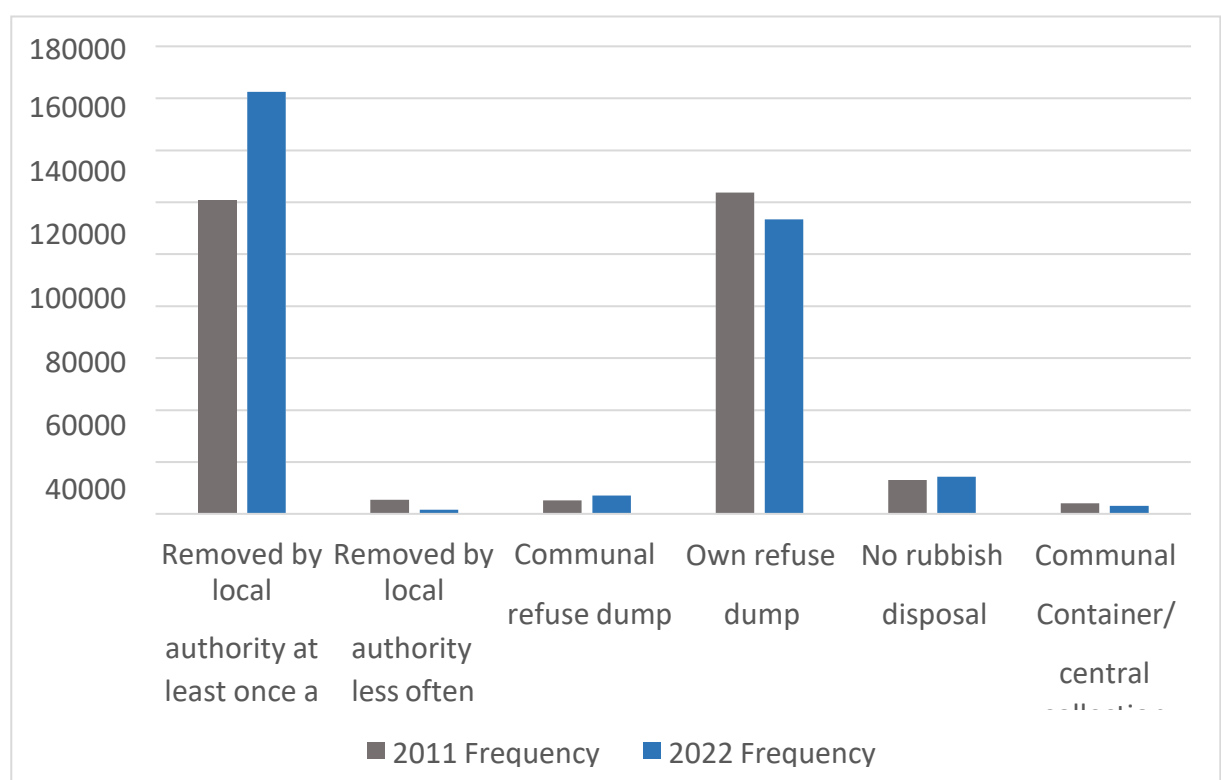
Name	2011 Frequency	(%)	2022 Frequency	(%)	Difference
Flush Toilet	134 767	49.5	179 327	58.3	Increase of 8.8%
Chemical Toilet	13 417	4.9	12 502	4.1	Increase of 8%
Pit Toilet	104 939	38.5	104 399	33.9	Decrease of 4.6%

Bucket Toilet	2 342	0.9	1 553	0.5	Decrease of 0.4%
Other	8 862	3.3	7 025	2.3	Decrease of 1%
None	8 030	2.9	3 035	1.0	Decrease of 1.9%



Dwelling Type

Name	2011 Frequency	2011 (%)	2022 Frequency	2022 (%)	Difference
Formal Dwelling	192 722	70.8	272 703	88.6	Increase of 17.8%
Traditional Dwelling	57 497	21.1	21 233	6.9	Decrease of 14.2
Informal Dwelling	18 396	6.8	13 184	4.3	Decrease of 2.5
Other	3 743	1.4	722	0.2	Decrease of 1.2%



Name	2011 Frequency	%	2022 Frequency	%
Removed by local authority at least once a week	120 836	44.4	162 477	52.8
Removed by local authority less often	5 469	2.0	1 606	0.5
Communal refuse dump	5 170	1.9	7 158	2.3
Own refuse dump	123 753	45.4	113 395	36.8
No rubbish disposal	13 062	4.8	14 287	4.6
Communal Container / central collection point	4 067	1.5	3 034	1.0

1.3.2 SERVICE DELIVERY OVERVIEW

Water Provision

The table below further details projects implemented by the Municipality under MIG

No	Project name	Project Description	Beneficiaries	Project Location	Actual Project status Progress %
1	Upgrading of the Nkanyezi community water supply scheme (AFA) MIS 306637	100% constructed and commissioned Upgrading of the Nkanyezi community water supply scheme (AFA) MIS 306637 (10ML reservoir; 9.2km of pipelines - 49km of reticulation pipelines)	The 10ML reservoir will service the overall area including Nkanyezini (669No. houses) with an estimated population of 4 864	Ward3&5(Mkh ambathini LM- Nkanyezini)	100%
2	Community water supply to Trustfeed Phase 2 (AFA) MIS 457197 (2021MIGFDC22414 030)	25% constructed uMshwathi Slum - Trusteed Water Supply Scheme Phase 1 (3 valve chambers, 1 PRV meter chambers, 8 connections,	Estimated 970 houses and 5820 people	Ward 9(uMshwathi LM-Trustfeed)	21%
3	Mpolweni, Thokozani and Claridge Ext. Water Supply Phase 2 (2020MIGFDC22391 857)	100% constructed and commissioned Mpolweni, Thokozani and Claridge extension water supply scheme (Construction of 218.6km of pipeline 3MI concrete reservoir 200KI elevated steel tank)	2100 households and 21696 people.	Ward 10 (Umshwathi LM- Mpolweni)	100%
4	Kwamathwanya Water Reticulation Scheme (Phase 2)	• Construction of a 50 kℓ/d pump station. • Construction of 1.15km long of steel rising main. • Construction of a 200kℓ elevated steel tank. • Construction of approximately 5.5km reticulation pipelines. • Installation of 1KL BPT	40 households, 288 people.	Ward 4 (Mpofana LM- Kwamathwanya)	86,71%
5	Mbhava And Mpethu-Swayamane Water Supply Scheme Extension- Phase 3 (2023MIGFDC22498 983)	Project comprises of •Refurbish existing Pump Stations № 2 •Construct New Pump Stations № 2 •Refurbish existing Reservoirs & Pipework № 19 •Construct New Reservoirs, Chambers & Pipework № 16	7408 households, 62112people	Wards 6, 8, 11, 12 and 13(Mshwathi LM- Swayimane-Ekupholeni, Emabheleni, Odlameni,Vum uthando,	Design stage

		•Construct New Elevated Tanks № 4 •BPT on Bulk Pipelines & Pipework № 1 •Yard Taps with 32mmØ connection № 6,120		Cuphulaka, Mbhava and Mpethu	
6	uMgungundlovu District Replacement Toilets Area Sanitation	The construction and erection of a total of 3000 units of precast VIP toilets with a hand washing facility within Umgungundlovu District Municipality.	Installation of 1284 VIP Toilets Impendle LM - 375 uMshwathi LM - 178 Mpofana LM - 329 Richmond LM - 314 Mkhambathini LM - 44 uMngeni LM - 44)	Impendle LM - 375 uMshwathi LM - 178 Mpofana LM - 329 Richmond LM - 314 Mkhambathini LM - 44 uMngeni LM - 44)	42,80%
7	Umgungundlovu District Municipality Operational Project Interventions (2024MIGFDC22527 440)	Routine and preventative maintenance of equipment and plant according to the Maintenance programme for the year (Mkhambathini= 48 days, uMngeni =144 days, Richmond =240 days, Mpofana=156 days, Impendle=240 days, uMshwathi= 144 days)	7890 household,47340 people	uMngeni, Impendle, Mpofana , Richmond, Mkhambathini, uMshwathi.	100%
8	Nhlambamasoka, Nhlathimbe & Khathikhathi Water Supply	100% Detailed design and tender document completed, appointed contractor for Nhlambamasoka / Nhlathimbe and Khathikhathi water project	N/A	Impendle Ward 1	Design 100%

The table below further details projects implemented by the Municipality under WSIG

No	Name of project	Project stage (planning, construction, completed)	Project location	Scope of work	Actual progress on site	Comments (Challenges, Solutions, Etc.)
1	Greater Efaye reticulation water supply scheme	Complete	uMshwathi LM Ward 3 & 4	Retention release	Retention released and close out report issued by 30 June 2025	Project defect liability period is expired, and retention was released. Project is functioning well.

2	Greater Efaye reticulation water supply scheme - Efaye/KwaZibusele Reticulation	Complete	uMshwathi LM Ward 4	Retention release	Retention released and close out report issued by 30 June 2025	Project defect liability period is expired, and retention was released. Project is functioning well.
3	Greater Efaye reticulation water supply scheme- Mt Elias/Efaye Reticulation Extension	Complete	uMshwathi LM Ward 3	Retention release	Retention releases and close out report issued by 30 June 2025	Project defect liability period is expired, and retention was released. Project is functioning well.
4	Nadi Reticulation Phase 1 & Phase 2	Planning and Design	Nandi 29°13'47(E) 30°42'47(S) Phase 2 29°12'43(E) 30°44'09(S)	The proposed scope for phase 1: - Supply and lay a bulk pipeline of approximately 1700m steel pipe of 100mm in dia. and 2330m of 110mm diameter. UPVC class 16. Supply and lay secondary bulk reticulation: - 2200m 110mm diameter UPVC class 16, -320m 75mm diameter UPVC class 16 - 9200m 50mm diameter HDPE class 16, -980m 25mm diameter HDPE class 12.5. -Supply and install 5 approximately 73 valves assemble and chambers including air, scour, isolating, and pressure-reducing valves - Supply and install 62-yard taps, The proposed scope for phase 2: Supply and lay secondary bulk reticulation -430m	Detailed Design is complete.	Environmental Authorisation was granted on 23 May 2025. Waiting for the case officer to open Phase 2 of the WULA application. We anticipate WULA approval in July or August 2025, after which we will proceed with documentation and procurement.

				110mm diameter UPVC class 16,		
5	Mpofana Bulk Connection and Bruntville/Phumlas Upgrade	Construction	Mpofana LM (Ward 1, 3 and 4) Phumlaas, Bruntville, Gwala Park, Masthetheni Farm, Town	20% Constructed +/- 15km of Bulk main pipeline and installed new 120kl elevated tank with Pump Station for the Phumlas highlevel zone.	20% Constructed +/- 15km of Bulk main pipeline and installed new 120kl elevated tank with Pump Station for the Phumlas highlevel zone.	N/A
6	Phase 2 AC Pipeline Replacement Programme	Construction	uMngeni LM (Ward 1, 2 and 5) 29°36'00(E) 29°52'00(S)	35% completed replaced 8,600 KM of pipelines within Howick with 381 metered house connection by 30 June 2025	58% completed replaced 8,600 KM of pipelines within Howick with 381 metred house connection.	N/A
7	Borehole and Springs Protection Programme Planning Phase 1	Completed and exceeded	Impendle LM . Ward Mkhambathini LM Ward 1, 2 & 3	20 boreholes drilled, pump tested, and water quality tested. Mkhambathini LM - 15 Impendle LM - 05	84 boreholes drilled, pump tested, and water quality tested. Mkhambathini LM - 15 Impendle LM - 16 Mpofana LM - 05 boreholes drilled, pump tested, and water quality tested. Umshwathi LM - 07 boreholes drilled, pump tested, and water quality tested. Umngeni LM - 15 boreholes drilled, pump tested and water quality tested Richmond LM - 5 boreholes	Revised and Exceeded

					drilled, pump tested, and water quality tested Mpofana LM - 16 boreholes drilled, pump tested, and water quality tested uMshwathi LM - 5 boreholes drilled, pump tested, and water quality tested.	
8	Borehole and Springs Protection Programme Planning Phase 2	Completed and exceeded	Mpofana Ward 2 and Ward 4 uMngeni Ward 9 & 5 Impendle Ward 1, 2, 3, 4 and 5	22 Boreholes equipped with Solar Panels, elevated 2 Jojo Tanks with standpipes Mpofana LM - 08 uMngeni LM - 07 Impendle LM - 07 by 30 June 2025	34 Boreholes equipped with Solar Panels , elevated 2 jojo Tanks with standpipes Mpofana LM- 10 uMngeni LM - 05 Impendle LM - 10 by 30 June 2025 Mkhambathini LM - 02 Richmond LM - 02 Impendle - 01 (AWIP Funding) Mpofana - 01 uMshwathi - 03	Revised and Exceeded
9	Mnyamvubu Community Supply Scheme	Construction	Mpofana LM Ward 4	30% constructed Nyamvubu Community Water Supply (Elevated Steel Tanks, package plant and 12km of reticulation with house connections to 128 households)	24,09% constructed Nyamvubu Community Water Supply (Elevated Steel Tanks, package plant and 4,7km of reticulation with house connections to 128 households	

10	Installation of VIP Toilets	completed	Mpofana LM - Ward 4 Richmond LM - Ward 2 Impendle - Ward 2, 3, 4 and 5 Umngeni - Ward 3, 4 and 5 uMshwathi - Ward 6 and 13	920 VIP Toilets installed within uMgungundlovu District Municipality Impendle LM - 400 uMshwathi LM - 120 uMngeni LM- 100 Mpofana LM - 100 Richmond LM - 200	985 VIP Toilets installed within uMgungundlovu District Municipality Impendle LM - 400 uMshwathi LM - 120 uMngeni LM- 100 Mpofana LM - 165 Richmond LM - 200	Completed and exceeded

During 2024/25 financial year the municipality has installed and completed 2 269 (VIP) toilets across the six local municipalities. MIG – 1284 units and WSIG – 985 units.

1.3.3 FINANCIAL HEALTH OVERVIEW

The municipality's financial health has shown signs of improvement over the last two years with the summary of financial performance for uMgungundlovu District Municipality and its entity for the 2024/2025 financial year detailed in the table below.

FINANCIAL HEALTH ASSESSMENT			
		30 June 2025	30 June 2024
Revenue Management			
1.	Revenue from exchange transactions	R661 432 809	R602 777 977
2.	Debt collection rate	59%	47%
3.	Debt-collection period (after impairment)	23 days	25 days
4.	Debt impairment provision as a percentage of accounts receivable	92%	95%
	• Amount of debt impairment provision	R1 204 526 070	R1 120 980 953
	• Balance of accounts receivable	R1 309 089 043	R1 178 397 270
5.	Percentage distribution losses - water		36%
	• Number of available for distribution		30 339 002 kL
	• Number of units sold to consumers		9 977 135 kL
	• Number of units non-revenue water		9 395 124 kL
Expenditure Management			
6.	Creditor-payment period	30 days	13 days
7.	Employee related costs	R365 308 143.00	R317 177 634
8.	Remuneration of Councillors and Board Members	R16 501 166	R 16 517 850
9.	Percentage of remuneration (employees and councillors) to total expenditure	38%	37%
10.	Percentage of capital expenditure to total expenditure	13%	22%
Asset and Liability Management			
11.	Amount of the surplus / (deficit) for the year	R92 443 529	R216 023 395
12.	Amount of the net current assets / (liability) position	R61 421 508	R45 444 546
13.	Current Ratio (current assets to current liabilities)	1.21: 1	1.17: 1
14.	Amount of the net asset / (liability) position	R2 624 266 292	R2 515 069 957
15.	Debt to Revenue	21%	26%
16.	Solvency ratio	85%	84%
Cash Management			

FINANCIAL HEALTH ASSESSMENT			
		30 June 2025	30 June 2024
17.	Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R213 192 676	R228 462 986
18.	Amount of net cash in / (out)flows for the year from operating activities	R145 113 483	R132 127 193
	Average cash coverage ratio	2.3 months	2.6 months
19.	Creditors as a percentage of cash and cash equivalents	30%	23%
	Amount of trade creditors (accounts payable)	R63 539 448	R52 016 115
	Amount of cash and cash equivalents / (bank overdraft) at year-end	R213 192 676	R228 462 986

Table 1: Financial Health Assessment

COMMENTS ON FINANCIAL HEALTH

In the 2024/2025 financial year, the municipality achieved a notable increase in revenue from exchange transactions, driven by higher service charges reflecting cost-reflective tariffs. The collection rate improved to 59% from 47% in 2024, though it remains below the National Treasury norm of 95%.

Creditors were paid within the 30-day norm, supported by strengthened financial controls, while capital expenditure remained prudent at 13% of total expenditure, within the prescribed 10–20% range. The municipality recorded an operating surplus of R92.4 million, down from R216.0 million in 2024 due to increased expenditure.

Liquidity improved, with a current ratio of 1.21:1, indicating sufficient short-term assets to cover obligations, and a debt-to-revenue ratio of 21%, well below the 45% threshold. The municipality's solvency strengthened slightly to 85%, and a cash coverage ratio of 2.3 months confirms the capacity to meet monthly operational expenses. Overall, the municipality demonstrates sound financial management, maintaining stability while investing in service delivery.

1.3.4 STATUTORY ANNUAL REPORT PROCESS

The process plan of the Annual Report is the guiding plan on the processes to be followed in the development of the Annual Report. The primary purpose is to ensure that there is compliance with all the pieces of legislations that governs the content and public participation processes on the development of the Annual Report.

Description	Legislation	Deadline	Responsible Department
Prepare and submit Annual Performance Report to the AG	MFMA	31 August.	Office of the Municipal Manager
Place an advertisement in the print media giving notice of the intended tabling of the Annual Report.	MFMA	February	Office of the Municipal Manager
The mayor of a municipality must, within seven months after the end financial year, table in the municipal council the annual report of the municipality	Section 127(2) of the MFMA	31 January	Mayor
Immediately after an annual report is tabled in the council, the accounting officer of the municipality must- Make public the Annual Report and invite the local community to submit representations in connection with the Annual Report	Section 127(5)(a)(i) and (ii) of the MFMA	February	Office of the Municipal Manager
Submit Annual Report to the Internal Audit, AG, Provincial Treasury, Provincial COGTA	Section 127(5), (b) of the MFMA	Within 5 days after Tabling the Annual Report	Office of the Municipal Manager
Consider Annual Report through the Oversight process,	Section 129(1) of the MFMA	Within 2 Months after Tabling the Annual Report	Council
Adopt Oversight Report containing the council's comments on the annual report	Section 129(1) of the MFMA	31 March	Council
After the municipality adopts its Annual Report, it must within 14 days make copies of the report accessible to the public, interested organisations and the media	Section 127(5)(a)(i)(ii) of the MFMA and Section 21A of the MSA	Within 14 days after adopting Annual Report/ Oversight Report	Office of the Municipal Manager

1.3.5 AUDITOR GENERAL'S REPORT

The table below indicates the audit opinion received for the period 2023/2024 financial year and previous years.

FINANCIAL YEARS			
Year	2024/2025	2023/2024	2022/2023
Status	Unqualified with findings	Unqualified with findings	Unqualified with Findings

CHAPTER 2: COMPONENT A – GOVERNANCE STRUCTURES

2.1 POLITICAL GOVERNANCE STRUCTURE

The Constitution of South Africa, in Section 151 (3) states that a Municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation as provided in the Constitution. The Council is the legislative Political Structure which is entrusted with the oversight responsibility on matters pertaining to the developmental progress and implementation of service delivery projects.

There are various Portfolio Committees as legislated through Section 80 of the Municipal Structures Act, Act 117 of 1998, that are each convened by the members of the Executive Committee who play a political oversight on various activities that are implemented by municipal administrative departments: and each Portfolio Committee is aligned to administrative functional areas. The Portfolio Committees report to the Executive Committee, whose chairperson is the mayor, which takes decisions and resolves to recommend to Council for implementation of service delivery matters.

Council of uMgungundlovu District Municipality has five Portfolio Committees, each chaired by an EXCO member with a term of reference responsible for a municipal Key Performance Area (KPA). Financial management and administration performance is further monitored and evaluated by the established Section 79 of the Municipal Structures Act, Act 117 of 1998 Committees below:

- Municipal Audit Committee.
- Municipal Public Accounts Committee (MPAC).

It is a legislative requirement that the Audit committee be established which considers the Auditor-Generals report and its implications for internal risk management and performance audit matters. The purpose and objective of the Audit Committee is to advise the Municipal Manager on financial statements, internal control, internal audit, external audit, and compliance.

The MPAC reports directly to Council through the Speaker and must examine financial statements of all executive organs of Council, any audit reports issued on those statements, any reports issued by the AG on the affairs of any municipal entity, any other financial statements or reports referred to the committees of Council, and the Annual Report on behalf of council and make recommendations to Council. The committee may report on any of those financial statements or reports to Council, initiate, and develop the annual oversight report based on the Annual Report, initiate any investigation in its area of competence, and must perform any other function assigned by resolution of Council. As the executive and legislative authority

of the municipality Council approves by-laws, budgets, IDP, policies, and tariffs for rates and service charges amongst other matters.

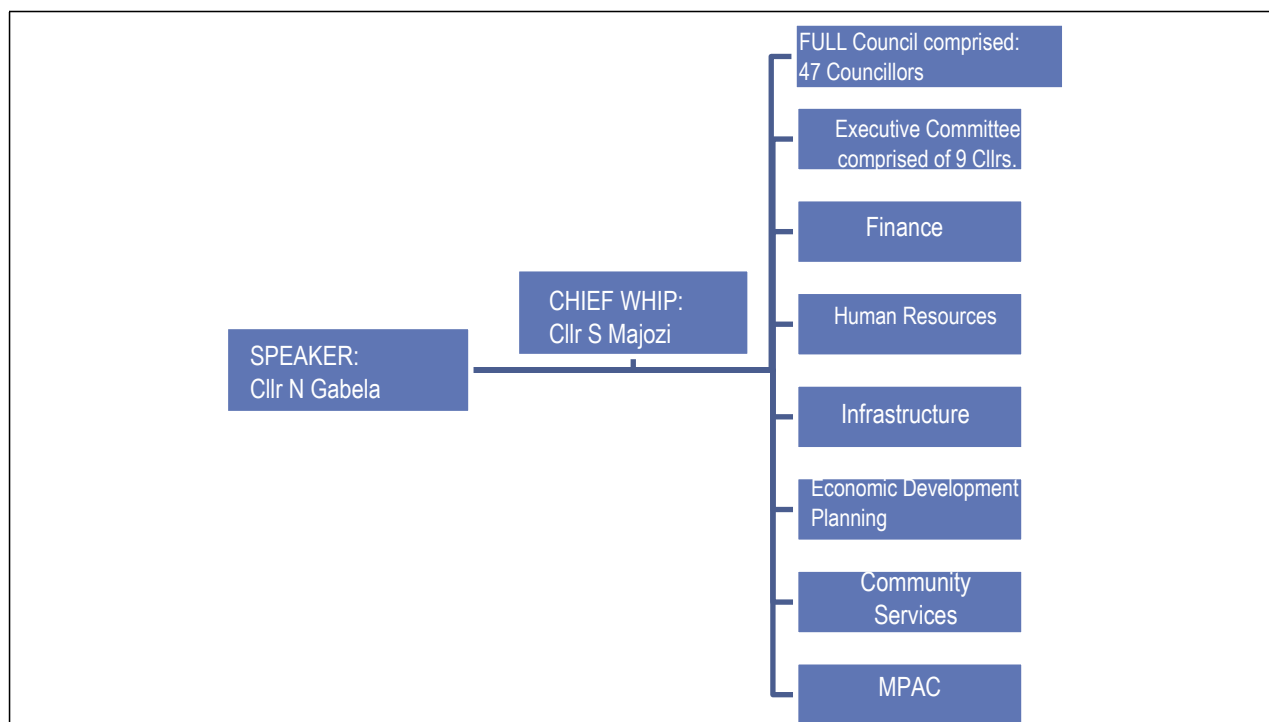


Diagram 1: Political Structure

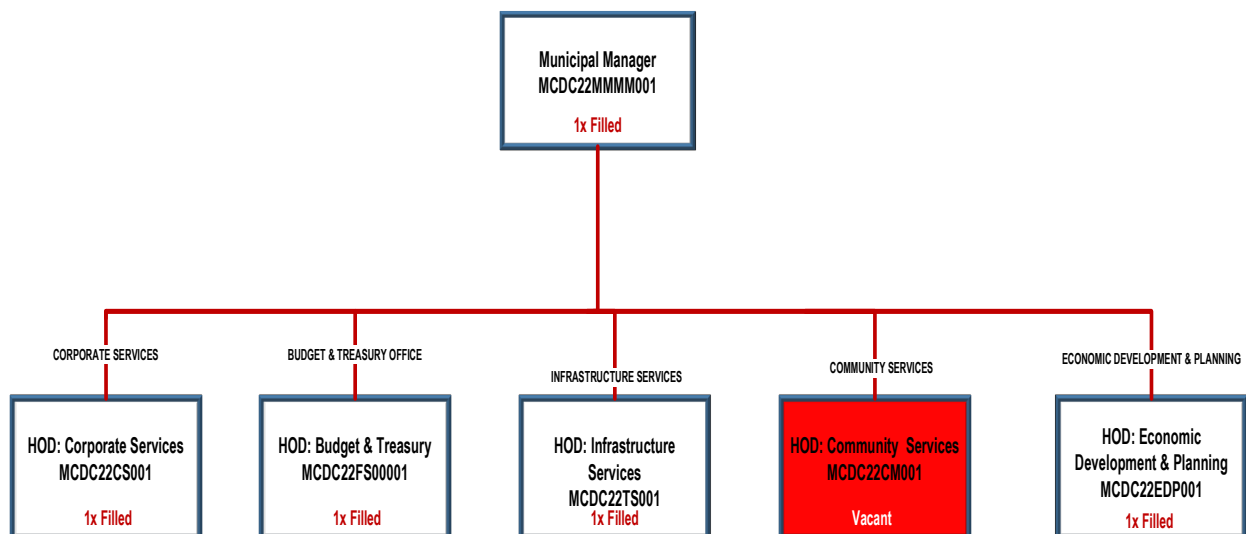
2.2 ADMINISTRATIVE GOVERNANCE

The administration is led by the Municipal Manager who is responsible for the effective implementation of council resolutions and the day-to-day operations of the municipality. The Municipal Manager primary responsibility includes ensuring sound and effective interface between the political structures and administration. Each department is headed by an Executive Director, who is a Section 56 appointee and reports directly to the Municipal Manager. Each Executive Director completed an annual performance agreement and their performance reviewed in accordance with the agreement.

Name of Official	Gender	Position	Function	Performance Agreement Signed Yes/No
Dr EX Muthwa (01 July 2024 - 30 June 2025)	Male	Municipal Manager	Overall Municipal Administration Internal Audit and Risk Management Mayoralty (Social Programmes) and Communication Inter-Governmental Relations Strategic Planning and Integrated Development Planning	Yes

2024 - 30 June 2025)				Yes
Mrs Phumzile (Acting_ 01 August to October 2024 – 12-31 May 2025)				
Mr Mbongiseni J. Sithole (01 July 2024– 30 June 2025)	Male	Executive Manager: Economic development and Planning	GIS, Planning, Umngeni Resilience Program and Local Economic and Development	Yes

Diagram 2: Top Organisational Structure Level

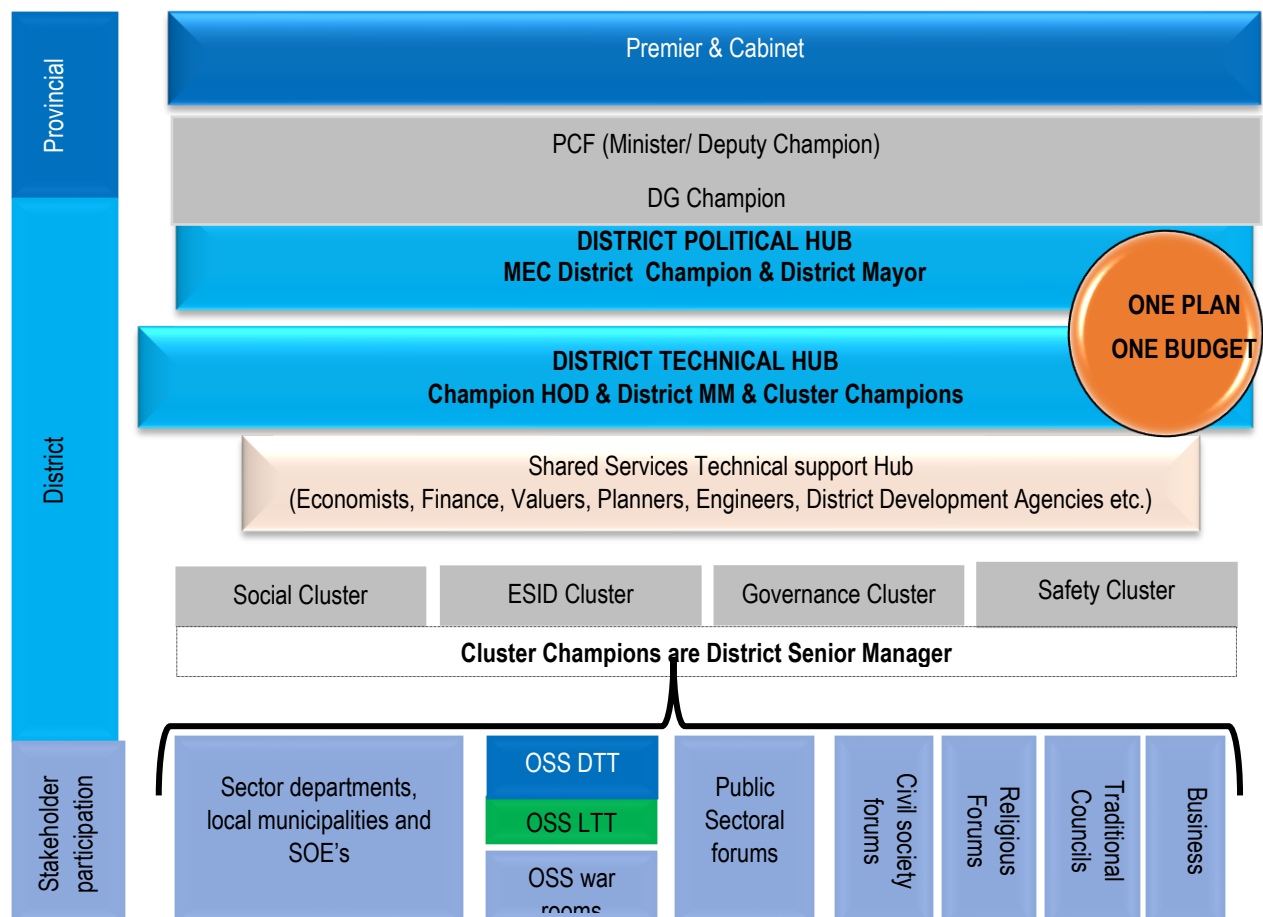


2.3 COMPONENT B – INTERGOVERNMENTAL RELATIONS

2.3.1 INTERGOVERNMENTAL RELATIONS - DDM

The DDM is a process by which joint and collaborative planning is undertaken at local, district and metropolitan by all three spheres of governance resulting in a single strategically focused One Plan for each of the 44 districts and 8 metropolitan geographic spaces in the country.

INSTITUTIONAL ARRANGEMENTS



The formulation of the DDM One Plan does not only presents an opportunity to align the districts' plans with the PGDS, but also to align the shorter municipal 5year IDPs with a long-term vision for the development of the district as one integrated plan. The introduction of the DDM One Plan was the evidence of misalignment, poor long-term planning, and poor communication. Misalignment between the different spheres of government and their intentions; planning for the same space but with different mandates in mind and therefore striving for different outcomes. And this has ultimately led to having achieved extremely less than expected or basically going in circles.

The District Development Model (DDM) continues to serve as a key framework for improving intergovernmental coordination and accelerating service delivery within the uMgungundlovu District Municipality. The DDM promotes an integrated planning approach through the principle of *"One Plan, One Budget."* During the reporting period, uMgungundlovu District worked closely

with national and provincial departments, local municipalities, and key stakeholders to align development priorities and catalytic projects that respond directly to community needs.

Strategic Alignment

The Municipality ensured that its Integrated Development Plan (IDP) and service delivery programmes are fully aligned with the DDM *One Plan* for uMgungundlovu District. This has allowed for a more coherent approach to spatial development, infrastructure investment, economic growth, and social development. Sector departments and municipalities within the district have collaborated to identify priority catalytic projects that contribute to the overall district development agenda.

There are contributing challenges such as limited financial resources, overlapping mandates, and at time inconsistent data sharing among spheres of government. These challenges have highlighted the need for improved coordination, stronger monitoring systems, and enhanced technical capacity within municipalities.

In the upcoming financial year, the District aims to:

- Strengthen intergovernmental collaboration through the DDM Hubs and Clusters; with civil society and other stakeholders
- Mobilise additional funding and partnerships to accelerate delivery of catalytic projects; (with private sector, international structures, etc)
- Continue to align all municipal and sector plans to the DDM *One Plan* priorities.

2.4 COMPONENT C – PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 IDP PUBLIC MEETINGS

The context of participatory local governance in South Africa, is bound to the core objectives of section 152 of the South African Constitution, which is to provide a democratic and accountable local government for local communities, to promote social and economic development, to encourage involvement of communities and community-based organizations in matters of local government and to ensure that the provision of services to the community way within the policy and legislative framework.

The 1998 local government white paper and the Municipal Structures Act of 2000 explored three key elements of participation which are:

- To ensure maximum democratic accountability of the elected political leadership for the policies they are empowered to promote inclusivity.
- Consumer as end users who expect value for their money,
- Organized partners involved in resource mobilization for development.

Engagement with communities and stakeholders on the proposals for comments and input on the draft IDP and Budget was done in terms of the Municipal Finance Management Act, 2003, Section 22 and 23 and Municipal Systems Act, 2000, Chapter 4, Section 21. The consultations included contact meetings for the community to be able to participate and raise issues regarding the IDP.

Legislative requirements regarding public participation process on the IDP. The development of the municipal IDP is guided by Chapter 5 of the Municipal Systems Act, 2000. This act is found on the constitutional principles of participatory democracy and cooperation.

The following are some of the legislative requirements that guide municipal planning, including the IDP:

- The Constitution of the Republic of South Africa, 1996: Section 152(e) states that local government must encourage the involvement of communities and community organisations in its matters. In this instance, the involvement of communities and stakeholders in the general affairs and processes of the municipality, such as drafting and reviewing the IDP, ensuring the functioning of ward committees, dealing with petitions and Section 79 oversight processes, and using feedback mechanisms to allow participation, is essential to the process of involving communities in the Municipality processes.
- Municipal Structures Act, 1998: Section 72 states that it is the responsibility of a ward committee member to enhance participatory democracy in local government.
- White Paper on Local Government, 1998: This document emphasizes that political leaders remain accountable and should work within their mandates and allow consumers to have input on the way that services are being rendered.
- The Traditional Leadership and Governance Act, 2003 (Act 41 of 2003): Section 4 states that “A traditional council has the responsibility to facilitate the involvement of the traditional community in the development or amendment of the integrated development plan of a municipality in whose area that community lives.”

The Municipality utilizes mechanisms to ensure effective public participation during the preparation of the uMgungundlovu District Municipality IDP. Mechanisms that were used include:

- The IDP Representative Forum where the notice to convene the meeting was advertised for public to partake and contribute towards the IDP.
- The Mayoral Imbizo where concerns of the public were addressed, noted and the mayor presents the plans of the Municipality. The District leadership and management attend the public participation meetings held by local municipalities to ensure alignment.
- Public Notices, which appear on the municipal website, local newspaper and social platforms.
- The Municipality aims to improve engagements with the community through the local municipalities and subsequently the ward committees. Based on continuous engagements with the public, eminent issues include, but not limited to:

Impendle Local Municipality	Richmond Local Municipality
➤ Request for budget to be allocated for Youth Sport activities. ➤ Request for indoor centers. ➤ Request for and FET college. ➤ Request for a hall and an ECD centre in Ward 2. ➤ Request to be for employment opportunities.	➤ Request for budget to be allocated for Youth Sport activities. ➤ Request for water services in ward 3. Request for toilets in ward 2

Request for Local Artists to be supported.	
uMshwathi Local Municipality ➤ Request for a school facility in Ntokozweni. ➤ Request for feedback on the Vula Fund. ➤ Request for water services in Fairview farm. Request for electricity services in Fairview farm.	Mkhambathini Local Municipality ➤ Request for funding for Small Businesses. ➤ Request for RDP's ➤ Request for Water services in ward 3. Request for economic opportunities.
uMngeni Local Municipality ➤ Request for water pipes to be repaired in ward 13. ➤ Request for water issues in Mpophomeni area to be resolved. Request the for the rivers to be cleaned.	Mpofana Local Municipality ➤ Request for a road in ward 1 ➤ Request for water services. ➤ Request for sanitation services. Request for an ECD centre



Mayoral Imbizo at Mpofana LM on 16 May 2024



Community Engagement at uMshwathi LM on 09



Mayoral Imbizo at Richmond LM on

MEANINGFUL ENGAGEMENT WITH AMAKHOSI

Section 29(1) of the Municipal Systems Act, No 32 of 2000 and Regulations stipulate that the process followed by a municipality to draft its Integrated Development Plan, including its consideration and adoption of the draft plan, should, “(b) through appropriate mechanisms, process and procedures established in terms of Chapter 4, allow for (iii) organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the Integrated Development Plan”.

It is against this background that uMgungundlovu District Municipality held an engagement session with the Local House of Traditional Leaders for uMgungundlovu District to present the IDP, the Budget and the DDM and to solicit input into these documents. This session was also to ensure alignment between AmaKhosi as their work as a council is in line with the constitution, especially section 152 (A) which obliges them to work democratically in the community and 152 (E) which looks at how the council can work with the communities that make up the municipality.

Draft IDP and Budget consultation session was held on 08 May 2024 with Amakhosi, Izinduna and Secretary Traditional Councils within uMgungundlovu District Family and an addition to having Amakhosi sitting in the municipality’s Representative Forum and Council.



PORTFOLIO COMMITTEE	AMAKHOSI
FINANCE COMMITTEE	INKOSI BG GWAMANDA
INFRASTRUCTURE COMMITTEE	
ECONOMIC DEVELOPMENT & PLANNING	INKOSI P MAJOZI
DDM POLITICAL HUB	
EXECUTIVE COMMITTEE (EXCO)	

IDP STEERING COMMITTEE

The IDP Steering Committee is established and continues performing its functions during the IDP Review process. It is a technical working group made up of senior officials and relevant officials to support the Mayor (and the Representative Forum) and ensure a smooth review process. The IDP Steering Committee consists of all Heads of Departments and sits once a month (or more when required). The Municipal Manager is the chairperson of the IDP Steering Committee.

2.4.2 IDP PARTICIPATION AND ALIGNMENT

The IDP entails processes through which a municipality, its constituencies, various sector departments and interested and affected parties come together to prepare clear objectives and strategies which serve to guide allocation and management of resources within the municipal area of jurisdiction.

2024/2025 Key Deliverables

- Facilitating and coordinating the development of a credible Integrated Development Plan
- Ensuring alignment between the IDP and Budget and Performance Management Systems
- Facilitation of IDP Forum meetings with stakeholders

2.5 COMPONENT D – CORPORATE GOVERNANCE

2.5.1 RISK MANAGEMENT

Section 62(1)(c)(i) of the Municipal Finance Management Act states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

The uMgungundlovu District Municipality's Risk Management Unit (RMU) is located under the Office of the Municipal Manager and is led by the Manager: Risk and Compliance. During the 2024/2025 financial year the following initiatives and actions were conducted by the risk management unit.

- ❖ An annual risk assessment conducted and facilitated
- ❖ Periodic assessments with quarterly and monthly monitoring of the status of the risk register, as well as quarterly reporting and recommendations to various statutory and non-statutory committees; •
- ❖ Annual review of risk management documents; •
- ❖ Compilation and monitoring of the risk management implementation plan.
- ❖ Continuous aim of building a sufficient municipal risk profile to constantly improve risk maturity.
- ❖ Risk universe and risk maturity initiatives through comparison reporting and benchmarking.
- ❖ Exploiting opportunities and strategies through the identification of emerging and incident risks
- ❖ Participate in the Risk Management forums and District Forums.
- ❖ Improved cooperation between the RMU and Internal Audit Services (IAS), reducing duplication and increasing the sharing of risk information.

Risk Assessment Process

The risk assessment for the 2024/2025 financial year was performed during June 2024, where risks were identified and assessed in accordance with the Risk Management Policy to determine the inherent and residual risks. Additional actions to mitigate these risks were subsequently formulated by management.

The following high-level risks were identified and documented in the municipality's risk register for monitoring.

Strategic Risks

No.	Risk description	Residual Risk Rating
1	Vulnerability to Fraud and Corruption	Critical
2	Inability to achieve air quality compliance in line with the requirements as per the National Environmental Management Act and Air Quality Act	Major
3	Inability to meet current water and sanitation services demand across the district areas	Major
4	Inability to respond timeously, effectively and efficiently in the event of a disaster	Major
5	Inability to create an enabling environment to develop and grow the local economy	Major

Fraud Risks

No.	Risk description	Residual Risk Rating
1	Abuse of working hours by performing personal tasks	High
2	Loss of Municipal assets	Satisfactory
3	Abuse of leave	Satisfactory
4	Illegal awarding of tenders	Satisfactory
5	Intentional deviation from normal supply chain management processes	Satisfactory

Operational Risks

No.	Department	No. of Risks Identified
1	Office of the Municipal Manager	06
2	Budget and Treasury Office	05
3	Corporate Services	07
4	Community Services	07
5	Economic Development and Planning	02
6	Infrastructure Services	05
7	ICT	05

RISK MANAGEMENT COMMITTEE

The role of the Fraud, Ethics and Risk Management Committee is to provide a timely and useful enterprise risk management report on a quarterly basis to the Executive Committee and the Audit Committee of the Municipality. These quarterly risk management reports contain progress made by the municipality in implementing and responding to risks as identified during the risk assessment workshop held during the beginning of the financial year.

The uMgungundlovu District Municipality's Risk Management Committee is constituted as follows, with its seatings reflected in the table below.

Name	Designation	Capacity
Ms. Zama Lugongolo	Risk Management Committee Chairperson	RMCO Chair
DR Xolani Muthwa	Municipal Manager	Standing member

Name	Designation	Capacity
Mr. Vusi Kunene	Chief Financial Officer	Standing member
Mr. Mbongeni Sithole	Head of Department: EDP	Standing member
Ms. Phumzile Mncwabe	Acting Head of Department: Corporate Services	Standing member
Ms. Lihle Hadebe	Acting Head of Department: Community Services	Standing member
Mr. Jabulani Dlamini	Head of Department: Infrastructure	Standing member
Mr. Ben Cele	Chief Operation Officer	Standing member
Ms. Andile Shezi	Manager: Risk and Compliance	Standing member
Ms. Zamangwe Mazibuko	Risk Advisor	Standing member
Ms. Adele Dorosamy	Internal Audit Manager	Standing member

2.5.2 ETHICS, ANTI-CORRUPTION AND CORRUPTION

The following Anti-fraud and Corruption policies and strategies are in place and approved by Municipal Council.

No.	Policy / Strategy
1	Anti- fraud and Corruption policy and strategy
2	Whistleblower policy
3.	Code of Ethical Leadership for Municipal Councillors and Managers

The implementation of the Anti-fraud and Corruption policy/ strategy gives effect and implements the Municipalities code of conduct and improves enforcement of the applicable systems and policies and procedures within the Municipality.

It is intended to set down the stance of the uMgungundlovu District Municipality towards the fight against fraud and corruption as well as to reinforce existing systems, procedures, and regulations of the Municipality aimed at preventing, detecting and respond to the impact of fraud and corruption where it exists.

2.5.3 SUPPLY CHAIN MANAGEMENT POLICIES AND PROCESSES

The uMgungundlovu District Municipality's Supply Chain Management (SCM) unit is a support function for all business units within the council to ensure provision of efficient, transparent, fair, equitable and cost effective, procurement services hence assisting the business units to implement their service delivery priorities.

The SCM unit continues to oversee the procurement and provisioning of goods and services on behalf of the municipality. These responsibilities encompass a wide range of activities, such as the solicitation of construction projects, engagement of consultant services, and the selection of contractors to support municipal service delivery.

SCM is committed to ensuring that the municipality's supply chain processes are robust, sustainable, and transparent. The Policies are drafted based on the SCM Model Policy issued by the National Treasury and amended to suit the local circumstances within the ambit of the regulatory framework and to promote economic transformation. Supply Chain Management (SCM) policy and related policies are reviewed annually to align it with legislative provision, circulars, instruction notes and demand of the municipality that are in line with the constitution of SA.

Significant strides have been made in strengthening governance, accountability, and operational efficiency within the Supply Chain Management (SCM) function. Standard Operating Procedures (SOPs) have been developed and implemented for SCM personnel, providing clear guidance on roles, responsibilities, and compliance expectations. These SOPs are proving instrumental in directing day-to-day operations and reinforcing consequence management by holding officials accountable for their actions.

Challenges in contract management were proactively addressed through the deployment of additional capacity, enabling improved oversight and responsiveness. A segregation of duties workflow has been designed and introduced to enhance internal controls, reduce risk exposure, and ensure transparency across procurement and contract execution processes.

Efforts have also been made to align the Procurement Plan with contracts approaching expiry, in order to improve continuity and reduce service delivery disruptions whilst avoiding irregular expenditure on expired contracts. While this process is still being refined, steps have been taken to hold responsible officials accountable for delays and to embed forward planning into routine SCM activities.

Further improvements include the alignment of SCM practices with audit recommendations, the strengthening of bid specification and evaluation processes, and the introduction of tracking tools to monitor procurement timelines and contract deliverables. These interventions collectively support improved audit readiness, promote ethical procurement practices, and contribute to the municipality's broader objective of clean governance and service delivery excellence.

2.5.4 BY-LAWS

South African municipal by-laws serve as legal framework established by local governments to govern specific areas within their jurisdictions. By-laws cover a wide range of aspects, including zoning, noise control, waste management, building regulations, and more. Section 156(2) of the Constitution of the Republic of South Africa, 1996, empowers municipalities to formulate and enforce by-laws in relation to matters that fall within their areas of jurisdiction. This constitutional provision forms an essential component of a municipality's legislative authority, enabling them to regulate and govern local affairs through the adoption of by-laws and ordinances, as long as such measures are consistent with the Constitution and applicable enabling legislation. Municipal by-laws play a vital role in regulating various aspects of community life and are important for both businesses and residents. These by-laws are designed to maintain order, ensure public safety, and create harmonious living environments.

UMDM currently has:

- **Fire Services:** The Fire Safety By-law was published in the Provincial Gazette on 07 August 2025 and is now ready for implementation.
- **Air Quality:** The Air Quality Management By-law was published in the Government Gazette on 11 September 2025 and is ready for implementation.
- **Water Services:** The Water Services By-law is in the final stages of end-user engagement sessions, after which the public participation process will commence.
- **Environmental Health:** The Environmental Health By-law is scheduled for gazetting during September 2025. Further communication will be issued regarding this process.
- **Crematoria and Waste Management:** The Crematoria By-law and the Waste Management By-law were advertised for public comment in *The Witness* newspaper on 01 September 2025. The comment period runs for 30 days.
- **Township and Rural Economy:** A service provider was appointed in August 2025 to draft the Township and Rural Economy By-law. A draft was submitted on 05 September 2025 for review and comments by the LED end-user unit.

2.5.5 WEBSITES

The uMgungundlovu District Municipality website is the online communication tool for the Municipality and is an integral part of Councils communication and marketing strategy. The website is established in order to.

- deliver current, factual, and official information about the Municipality and its functions, programmes, campaigns, services, and products.
- provide the latest news about the department's activities, events, and programmes.
- publish information about the department to support its strategic goals and meet legislative requirement.
- provide a vehicle for interaction between the Municipality and the public.
- create visibility for the department and promote the department's image.
- market the Municipality to internal and external stakeholders

uMgungundlovu District Municipality website is maintained at a service level agreement of 99% uptime and can be visited from the URL: <http://www.umd.gov.za>. The Information and Communication Technology Department is responsible for administering and supporting website uploads. This includes servicing website upload requests of the Local Government Municipal Financial Management Act No 56 of 2003 ("the MFMA"); The Local Government Municipal Systems Act No 32 of 2000 ("the Systems Act") and the Municipal Property Rates Act, no 6 of 2004. The website design, support and administration are conducted in terms of the Department of Government Communications and Information Systems Policy Guidelines for South African Government Website (2012).

2.5.6 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

From a revenue management point of view, there are customer care centres which are available for customers to visit if they want to pay for services or if they have billing issues, meter reading issues and any other issue in respect of their municipal

water accounts. There has been issues of capacity previously but they have been addressed, the functioning of customer care centres and efficiency in dealing with queries has improved.

2.5.7 MUNICIPAL OVERSIGHT COMMITTEES

The municipal oversight committees are as follows: Audit Committee, Municipal Public Accounts Committee (MPAC) and Disciplinary Board.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3.1 WATER PROVISION

The municipality has made many strides in attempting to ensure basic services for all. This including formation of strategic partnerships as well as approaching many funding streams. To date many citizens, receive water, however there are areas which fall under backlog category and those that fall under refurbishment programme.

Operation and maintenance measures are put in place to ensure that water supply to communities remain sustainable 24 hours. Repairs are done immediately "and" faults are repaired to the satisfaction of all citizens timeously.

During the Financial year 2024/2025 several projects were Implemented in communities that are living without services and some projects as refurbishment. The following is a highlight of the projects completed.

COMPLETED PROJECTS					
No	Project name	Project Description	Beneficiaries	Project Location	Actual Project status Progress %
1	Upgrading of the Nkanyezini Community Water Supply Scheme Phase 1 (AFA) MIS 306637 (2013MIGFDC2222 0590)	Construction of 8,7km of uPVC / Steel pipeline ranging from 250mm Ø to 200mm diameter secondary bulk pipelines with associated valve chambers and fittings inclusive of offtake chambers for future reticulation zone connections . • Construction of 1№ 10MI Post-tensioned Reinforced Concrete reservoir. • Associated valves, chambers, and fittings.	The 10MI reservoir will service the overall area including Nkanyezini (1457No. houses) communities but Manyavu (1015No. houses) and Manzamnyama (625No. houses) therefore totaling 3705No. houses with an estimated population of 29 640 No.people	Ward3&5(Mkh ambathi LM-Nkanyezini)	100%

2	Nkanyezini Community Water Supply Scheme Phase 2 (2023MIGFDC2249 8788)	•Balance of construction of the 10 MI Reinforced concrete reservoir. •construction of the 400kl elevated tank •Switch over existing tie ins from the existing 150 mm diameter pipeline to the new 200/315 mm diameter pipeline with associated new offtake chambers in Nkanyezini. •And Zone 1 and 2 reticulation includes 41km of pipeline ranging from 200mm to 75mm Ø uPVC and 50mm and 25mm Ø HDPE reticulation pipelines together with 608No. metered household connections	(608No. houses) with an estimated population of 4 864	Ward 3&5(Mkhambathini LM-Nkanyezini)	100%
3	Mpolweni, Thokozani and Claridge Ext. Water Supply Phase 2 (2020MIGFDC2239 1857)	Construction of a new 3MI reinforced concrete reservoir, 200 kl elevated steel tank and refurbishment 2 No 400 kl existing reservoirs including bulk reticulation pipeline network of approximately 236 km of HDPE, uPVC and steel pipelines. The pipe sizes are ranging from 25 mm to 355 mm to supply the Mpolweni Community up to the household meter connection points and a standpipe.	2712 households and 21696 people.	Ward 10 (Umshwathi LM- Mpolweni)	100%
4	Umgungundlovu District Municipality Operational Project Interventions (2024MIGFDC2252 7440)	Repairing the Gqugquma Pipe Main: Laying of 80mm dia steel pipe, 70m long and concrete encasing at river crossing.Construction and demolishing of coffer dam,pressure test and commissioning. • Repairing the Mbuthiswe Pump Stations : Replacement of 5x high lift pump, pipe modifications, valve replacement such NRV,Bermad valve and Butterfly Valve ,baseplate modifications. • Richmond water works pump repairs: Replacement of 2x pump(Zeox First and KSB WKLn pump),	7890 household,47340 people	Ward 4(uMshwathi LM-Gqugquma) Ward 1(Richmond LM-Water works) Ward 4(Richmond LM-Gabangolwazi) Ward 5(Richmond LM-Mbuthisweni)	100%

		electrical cables modifications, valve replacement, pipe modifications and baseplate modifications. • Repairing the Gabangolwazi Borehole Scheme: Reinstatement of old borehole pump station, replacement of borehole pump, 4mm x 4 armoured electrical cables modifications, Control panel 1,5kw motor replacement, pipe modifications and baseplate modifications.			

3.1.1 WATER AND WASTE- WATER QUALITY

Water and Wastewater Quality Performance at uMgungundlovu District Municipality for 2024/2025

The uMgungundlovu District Municipality is mandated to provide potable water services to six local municipalities within its jurisdiction. To ensure the safety, reliability, and quality of the drinking water supplied to communities, the District implements a comprehensive annual water quality monitoring programme that is fully aligned with the approved Water Safety Plan. This programme outlines sampling frequencies, monitoring points, parameters to be analysed, and response actions for any deviations detected. Through this structured approach, the District ensures that drinking water quality remains within the standards prescribed by national regulations and supports public health protection across all supply systems.

In addition to water supply responsibilities, the District Municipality oversees the operation of six wastewater treatment works. These facilities are managed and maintained by Umngeni-Uthukela Water on behalf of the District to ensure efficient operation and compliance with regulatory requirements. Final effluent from each wastewater treatment works is monitored in accordance with the conditions stipulated in their respective Water Use Licenses or, where applicable, General Authorizations issued by the Department of Water and Sanitation (DWS). This monitoring ensures that the discharge of treated effluent into the environment does not pose risks to water resources, ecosystems, or downstream users.

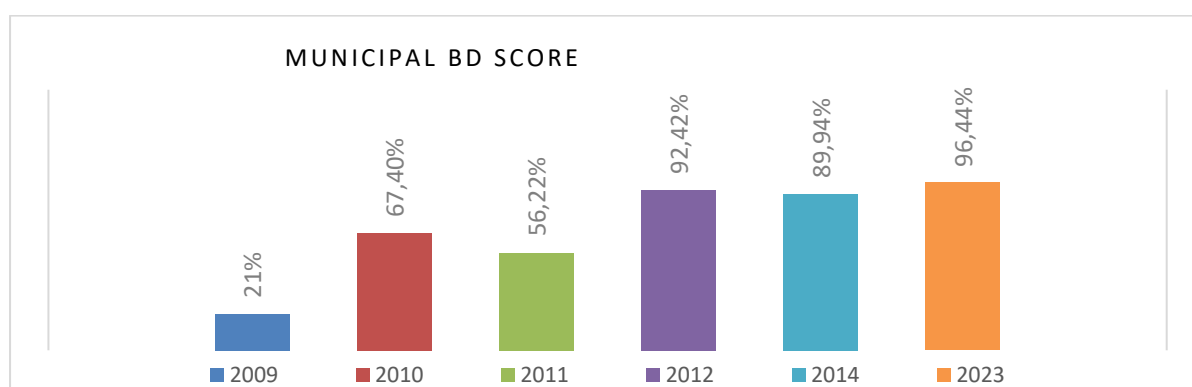
To further strengthen the management of wastewater systems, the District Municipality, in partnership with Umngeni-Uthukela Water, has developed and implemented Wastewater Risk Abatement Plans (W2RAPs). These plans provide a structured framework for identifying, assessing, and mitigating risks that could impact the performance of wastewater treatment processes. The implementation of W2RAPs enhances operational resilience, supports consistent compliance with effluent standards, and contributes to overall water resource protection in the region.

All potable water quality results and final effluent compliance data are uploaded monthly to the Department of Water and Sanitation's Integrated Regulatory Information System (IRIS), available at <https://ws.dws.gov.za/IRIS/mywater.aspx>. This online platform provides transparent access to water quality information for communities, regulatory authorities, and relevant

stakeholders. Through this system, the District demonstrates its commitment to accountability, regulatory compliance, and continuous improvement in both drinking water and wastewater management.

Blue Drop certification

Since the introduction of the Blue Drop Certification Programme, uMgungundlovu District Municipality has shown continuous improvement in drinking water quality management, as demonstrated in Graph 2. The municipality first achieved Blue Drop status in 2012 and successfully retained it in 2014 and again in 2023 through the Umgeni Water Supply System. This consistent performance reflects the District's strong commitment to regulatory compliance, effective partnership with Umgeni-Uthukela Water, and dedication to providing safe, reliable, and high quality potable water to its communities.

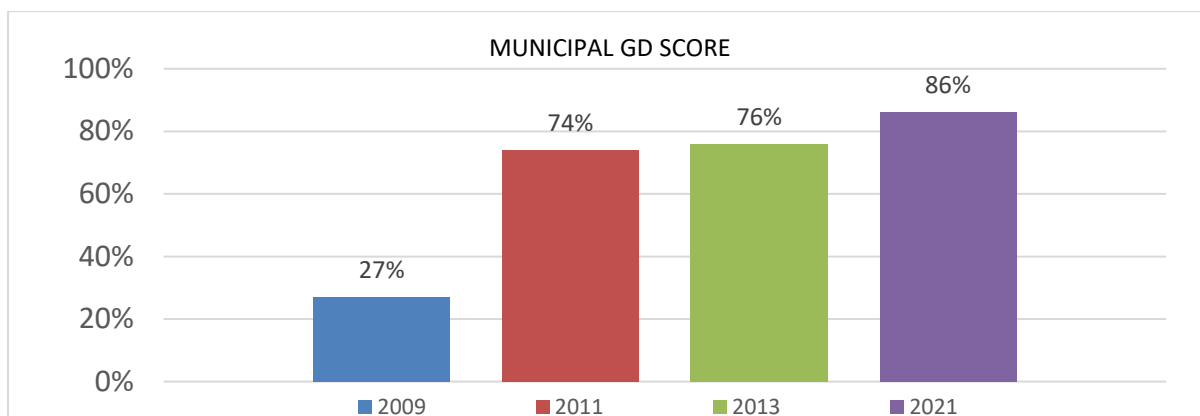


Graph 2: Municipal Blue Drop scores

The District Municipality has been showing an improved performance from overall Municipality score of 21% to 96.44% in 2023.

Green Drop certification

There have been four Green Drop assessments since it was introduced in 2008. Graph 3 below provides information indicating that, following an unfavourable score of 27% in 2009, best practices for wastewater quality management were implemented. These efforts resulted in a notable improvement in subsequent assessments. In 2021, the District Municipality was able to achieve Green Drop status for Cool Air Wastewater Treatment Works. The overall Municipality Green Drop Score also increased from 76.10% to 86%.



Graph 3: *Municipal Green Drop scores*

Cool Air Wastewater Works achieved 91% and it was awarded with prestigious Green Drop status for 2021/2022 assessment.

Water Quality Performance

Potable water quality is required to comply with SANS 241:2015 that requires quality to be evaluated and reported against five categories which are Acute health microbiological, Acute health chemical, Chronic health chemical, Aesthetic and Operational. SANS 241:2015 classify drinking water quality supplied to the population of up to 100 000 as follows:

- Acute health microbiological -: Excellent ($\geq 97\%$), Good ($\geq 95\%$), Unacceptable ($< 95\%$).
- Acute health chemical -: Excellent ($\geq 97\%$), Good ($\geq 95\%$), Unacceptable ($< 95\%$).
- Chronic health chemical -: Excellent ($\geq 95\%$), Good ($\geq 93\%$), Unacceptable ($< 93\%$).
- Aesthetic -: Excellent ($\geq 93\%$), Good ($\geq 90\%$), Unacceptable ($< 90\%$).
- Operational -: Excellent ($\geq 93\%$), Good ($\geq 90\%$), Unacceptable ($< 90\%$).

uMgungundlovu District Municipality					
Water Supply Systems	Acute Health	Acute Health	Chronic Health	Aesthetic	Operational
	Microbiological	Chemical	Chemical	Chemical - Non Health	
	Compliance	Compliance	Compliance	Compliance	Compliance
<u>Boreholes (Untreated)</u>	99%	100%	100%	100%	100%
<u>Gomane Boreholes</u>	90%	100%	82%	100%	100%
<u>Impendle Spring</u>	85%	100%	89%	95%	90%
<u>Lidgettton West</u>	100%	100%	100%	99%	100%
<u>Mpofana</u>	100%	100%	100%	100%	90%
<u>Nzinga</u>	99%	100%	100%	94%	76%
<u>UW/Mpofana Bulk</u>	100%	100%	100%	100%	99%
<u>Umgeni Bulk Supply</u>	99%	100%	100%	100%	100%

uMgungundlovu District Municipality	97%	100%	96%	99%	94%

Table 20: Portable Water Quality Compliance for Water Supply Systems (%)

The overall drinking water quality compliance for uMgungundlovu District Municipality remains high across all monitored systems, demonstrating strong alignment with national drinking water standards and a continued commitment to protecting public health. According to the compliance results, the district achieved **97% microbiological compliance, 100% acute health chemical compliance, 96% chronic health chemical compliance, 99% aesthetic compliance, and 94% operational compliance**, reflecting an overall potable water quality outcome that is classified as good.

In terms of **Acute Health Microbiological Compliance**, six of the eight water supply systems achieved compliance levels above 95%, showing strong performance in the disinfection process and effective protection against microbial contamination. However, the Gomane Boreholes and Impendle Spring systems recorded lower compliance levels of 90% and 85% respectively. These deviations were mainly attributed to inadequate chlorine residuals, resulting in insufficient disinfection capability during certain sampling events. In line with the incident management protocol, immediate corrective actions were implemented, including adjustment of chlorine dosing, enhanced monitoring frequency, and operator support. Longer-term interventions are also underway, most notably the planned construction of the **Impendle Bulk Water Supply Scheme**, which is expected to significantly strengthen water supply reliability and improve water quality in the broader Impendle area.

All water supply systems achieved **100% Acute Health Chemical Compliance**, demonstrating full adherence to parameters that pose short-term risks to human health. This high performance confirms that water supplied across the district did not contain acute chemical contaminants above allowable limits. Similarly, **Chronic Health Chemical Compliance** was excellent across most systems, with the district achieving an overall compliance of 96%. Although a few systems, such as Gomane Boreholes (82%) and Impendle Spring (89%), showed minor deviations, these were not widespread and were addressed through corrective actions and continued monitoring to mitigate long-term health risks associated with extended chemical exposure.

Aesthetic parameters, which include aspects such as taste, colour, and odour, achieved exceptionally high compliance across the district at **99%**, demonstrating that consumers generally received water that met expected aesthetic quality standards. Most systems performed strongly, with only minor deviations observed in specific areas such as Impendle Spring and Nzinga, which recorded aesthetic compliance levels of 95% and 94% respectively. These deviations were temporary and were managed through operational adjustments to improve treatment efficiency.

Operational Compliance, which measures the ability of systems to continuously produce water that meets all operational quality requirements, was slightly lower at **94%**. The Nzinga system was the main contributor to underperformance in this category, with an operational compliance rate of 76%. This was largely due to elevated turbidity levels linked to raw water quality fluctuations and a need for improved process control. Importantly, whenever water did not meet operational standards, distribution was halted, and treatment processes were optimised before water was released back into the network. This demonstrates the municipality's commitment to ensuring that only compliant water reaches consumers.

Across all systems, the District's potable water quality results reflect robust operational management supported by responsive incident handling and adherence to regulatory protocols. Although certain systems experienced periodic noncompliances, primarily linked to chlorine dosing, turbidity fluctuations, or variations in raw water quality, these were effectively addressed through both immediate corrective actions and longer-term infrastructure planning. Overall, the drinking water quality within uMgungundlovu District Municipality remains within safe and acceptable limits, supporting public health and ensuring reliable access to potable water for communities.

Wastewater Quality Performance

In terms of Green Drop System, wastewater quality compliance for the final effluent is classified as follows:

Bad -> <50%

Poor -> 50% - 69%

Good -> 70% - 89%

Excellent -> ≥90%

Wastewater Treatment Systems	Microbiological	Chemical	Physical	Operational
	Compliance	Compliance	Compliance	Compliance
Appelsbosch	100%	96.9%	91%	100%
Camperdown	100%	100%	91.8%	100%
Cool Air	100%	100%	100%	100%
Howick	87.5%	94.4%	92.8%	100%
Mooi River	96.2%	93.2%	99.2%	100%
Richmond	95.8%	98.5%	99.0%	100%
uMgungundlovu District Municipality	93%	96%	94%	100%

Table 21: Wastewater quality compliance for each wastewater treatment works

The overall wastewater quality compliance for uMgungundlovu District Municipality remains high, ranging between 93% and 100% across all treatment plants, demonstrating generally excellent operational performance.

At **Appelsbosch**, the overall compliance was 95.7%. The plant achieved excellent microbiological and chemical compliance. However, ammonia and free chlorine levels were occasionally outside the standard range, primarily due to load shedding, which affected the treatment process. Free chlorine levels were adjusted accordingly to optimise performance.

Camperdown achieved an overall compliance of 97.7%, meeting excellent standards in most categories. A temporary exceedance of free chlorine above the permissible limit was recorded but was quickly corrected, ensuring continued compliance with effluent quality requirements.

Cool Air consistently performed at the highest level, achieving 100% overall compliance. The plant met all standards for excellent final effluent and demonstrated strong operational efficiency. Notably, Cool Air attained Green Drop status in 2021, reflecting its high-quality performance.

The **Howick** wastewater treatment works recorded an overall compliance of 93.7%, achieving good final effluent standards. The plant experienced occasional noncompliances related to E. coli, ammonia, ortho-phosphate, suspended solids, and free chlorine. These deviations were addressed through operational adjustments to ensure continued adherence to regulatory requirements.

Mooi River achieved an overall compliance of 96.1%, meeting excellent effluent standards. Temporary challenges were observed with E. coli, ortho-phosphate, soluble reactive phosphate, and suspended solids. Continuous process optimisation is in place to maintain compliance and improve effluent quality.

Richmond recorded an overall compliance of 98.7%, meeting excellent standards across all categories. Noncompliances involving E. coli, nitrate, ammonia, and free chlorine were observed at certain stages but were corrected through process optimisation, ensuring that the plant consistently produces high-quality effluent.

Overall, the wastewater treatment works within uMgungundlovu District Municipality demonstrate strong compliance with regulatory standards. While occasional deviations occurred due to operational challenges such as load shedding or process fluctuations, corrective measures have been implemented to maintain effluent quality and protect public and environmental health.

3.2 INDIGENT REGISTRATION PROCESS

The district has an indigent policy which is a subsection of the credit control policy, a database is then created where customers are added when they make an application, the Municipality then goes through various verification methods to ensure that the information provided is true and correct. The Municipality received over 15 thousand applicants there various campaigns thought the implementation of but not limited to the following indigent registration programs (indigent registration programs, door to door campaigns etc...). However, this number was reduced to a total of 12041, this number had to be reduced further to a total of 11369 due to the deceased of indigent applicants, a total of 5165 x indigent households were then provided with access to free basic water services by the end of June 2025.

The rest of the applicant were then rolled over to receive the rebate on the following Financial Year. It must be noted that the approved customers indigent status is valid for 5 years from the date of approval, subject to annual desktop verification by the Municipality.

With regards to implementation, customers on the database receive their benefits, of 6000 litres (6kl) of free water / month provided they meet the requirements as stipulated in the indigent policy. The Municipality is looking for different methods of monitoring the use of water and enforcement of the minimum supply as stipulated in the policy. According to the policy those who are eligible to apply should comply with the following:

- ✓ Be a resident of the uMgungundlovu District Municipality.

- ✓ Have a water account with the municipality.
- ✓ Have a valid South African Identity Document.
- ✓ Be a permanent tenant or lodger
- ✓ The total gross income for the household must not exceed R 5000.00 (this excluding child grants and disability grants)
- ✓ The policy further states that those who intend to be apply for indigent should bring forth the following documents:
- ✓ South African Identity Document.
- ✓ A signed declaration form allowing uMgungundlovu District Municipality to share the applicant's information with other government departments and conduct credit and profile bureau checks.

If unemployed:

- ✓ a sworn affidavit stating that you are unemployed; and
- ✓ a sworn affidavit stating that you have no other source of income.

If employed:

- ✓ latest salary/wage payslip or a letter from an employer stating your income.
- ✓ if self-employed, an affidavit stating how much you earn per month; and
- ✓ proof if receiving a disability grant, maintenance grant or pension.

The Municipality has further made the following provisions to ensure that as many indigent customers as possible receive the subsidy.

- ✓ The Municipality has further signed a Memorandum Of Understanding with the South African Social Security agent (SASSA), the indigent policy is then revised as follows:
- ✓ To qualify for the SASSA, grant a person should meet the following criteria:
- ✓ Be a South African citizen, permanent resident, or refugee. Live in South Africa
- ✓ Not earn more than R 86 280 .00 (R 4800 /month) if you are single or R 172 560 if married (R 9600.00)
- ✓ In light of the above
- ✓ a consumer who has qualified to receive the SASSA grant would also qualify to receive the UMDM indigent status.
- ✓ A customer who has been approved as indigent at a Local Municipality will be automatically included into the Municipality indigent register.

VALIDITY OF INDIGENT SUBSIDY

- ✓ The indigent subsidy is valid from the day of approval, inclusion on the indigent register and submission to the revenue department.
- ✓ The subsidy will be valid for a period of 5years subject to annual verifications by the municipality, whereafter the recipients of the subsidy will have to re-apply.
- ✓ State pensioners, child headed households, and disabled beneficiaries need not to re-apply for the support at any point, they will however be subjected to annual verification by the municipality.

- ✓ Should there be a need for re-application for indigent support the application must follow the normal application and verification process.

3.3. SOCIAL SERVICES

3.3.1 ENVIRONMENTAL HEALTH

Overview of programs conducted for 2024/2025 Fin Year. Highlight any achievements and challenges faced with.

Food control: Food control is described by the World Health Organisation (WHO) as a mandatory regulatory activity of enforcement by National and Local authorities to provide consumer protection and ensure that all food during production, handling, storage, processing and distribution are safe, wholesome and fit for human consumption. It also refers the measures and practices in place to ensure the safety and quality of food products, from production to consumption. In the context of tuckshops food control is crucial to prevent foodborne illnesses and maintain customer trust. Key aspects of food control in uMgungundlovu District includes:

- Food Handling and Preparation
- Proper handling, storage, and preparation of food to prevent contamination.
- Food Safety Regulations
- Compliance with local health and safety regulations, including obtaining necessary permits and certifications.
- Regular inspections to ensure compliance with food safety standards and identify areas for improvement.
- Training staff, food handlers and caterers on proper food handling, preparation, and safety practices.
- Accurate labelling and tracking of food products to ensure transparency and accountability.

In line with the national norms and standards for Environmental Health and the Foodstuffs, Cosmetics and Disinfectants Act (FCD Act) 54/1972 and its regulations, the Unit monitors microbiological quality of food and milk and its safety for human consumption, Food and swab samples were taken from various facilities including restaurants, takeaways, food processing plants and the kitchens of school nutrition programmes. The Unit also participated in the Dairy Standards Agency's milk and milk products sampling program from retailers, processors and milking sheds.

Food related service	Number
Food samples including dairy products analysed	178
Inspection and certification of formal and informal food premises	1121

In 2024/2025 there was continued focus on the safety of food from Spaza shops with several new cases reported of children falling seriously ill after eating different types of snacks purchased from Tuckshops. Whilst these reports emanated outside of this Province, UMDM continue with proactive approach and intensified inspection of tuckshops. Some of these inspections were conducted as part of joint operations with different stakeholders inclusive of Local municipalities' LED Units and their law enforcement units; EDTEA, Home Affairs (Immigration) and SAPS. Our main focus was to ensure that:

- The Business owners and Consumers understand the markings that can be used to identify whether food stuff is still suitable for consumption or not.
- Food items are packaged such that they cannot be contaminated or adulterated in any way.
- Food products are purchased from reputable wholesalers or sources.
- All foods are properly labelled in terms of nutritional value, ingredients and place of production.
- Food is stored under proper conditions within proper heating and cooling appliances and that the correct temperatures is constantly maintained to prevent food items from spoiling.
- That the facilities confirm to, at the least, the minimal standards for a food premises.
- That service and display areas are cleaned and disinfected daily.
- There is no sale of counterfeit goods and stale/expired foodstuff
- That these trading spaces are not used as sleeping quarters

These intensive inspections and compliance audits, accompanied by health education and awareness, for both shop owners and consumers proved successful in combating food borne illness. This emphasised the importance and effect of co-ordinated joint inspections and public education on food safety



Figure 1 and 2: EHP conducting an inspection and removal of food that does not meet the food safety and labeling standards

Food safety challenges in UMDM, particularly in tuckshops, are a pressing concern.

- Tuckshop owners often lack awareness and training on proper food handling, hygiene, and safety protocols, increasing the risk of food poisoning.
- Unclean food preparation areas, improper waste disposal, and inadequate pest control measures exacerbate food safety risks.
- The lack of enforcement of legislation for those selling of expired or contaminated goods can pose serious health risks to consumers, especially children.
- Most tuckshops fail to meet the structural standards, lighting and ventilation requirements and even minimum hygiene requirements for food premises.
- Poor and improper food labelling of foodstuffs is evident.
- Due to lack in capacity of environmental health personnel who conduct routine inspections of premises and training on food safety practices, the risk of contamination and foodborne illnesses outbreaks are inevitable.
- Human and financial capacity. The shortage of EHPs in the district based on the ratio of EHPs to population falls well below Norms and standards requirements. Due to financial constraints, bacteriological and chemical sampling at the accredited laboratories cannot be routinely undertaken.

Water Quality Monitoring

The UMDM Environmental health Unit also undertakes monitoring and surveillance of the quality and availability of water that is intended for human consumption, recreational and industrial use. **540** Water samples were collected from pollution prone water sources as part of the pollution monitoring programme. This monitoring serves as a warning system as it identifies pollution from manholes and other sewerage sources that oftentimes were not visible thereby impacting on water sources. Poor results were acted upon by involving the responsible departments and authorities.

Another **130** water samples were collected and analysed for their suitability for human consumption. These are drinking water sources that do not form part of WSA's blue drop water quality monitoring but are mainly sources from boreholes in public facilities or tanked water that is supplied into these facilities and stored in jojo tanks.

Waste Management: Waste management plays a crucial role in maintaining environmental health. Improper waste disposal can lead to severe health issues, including respiratory problems, skin conditions, and even cancer. In South Africa, the impact of poor waste management is evident, with communities facing increased risks of waterborne diseases, air pollution, and vector-borne illnesses like malaria and dengue fever. Solid waste and wastewater management is monitored in various areas within the district municipality by the Environmental health Unit. By working with local municipalities on issues of waste management and illegal dumping, the unit enforces applicable bylaws and conducts health education activities and facilitates clean-up campaigns. The district solid waste division is supported by our Environmental health unit educational strategies that are based around

- Minimization of waste generation, reuse, and implementation of recycling programs.
- Converting organic waste into nutrient-rich compost thereby reducing landfill waste and greenhouse gas emissions.
- Promoting the implementation of engineered landfills with leachate and gas management systems to minimize environmental impacts.

- Communities being educated on proper waste management practices and involving them in decision-making processes.

By adopting these strategies, we can mitigate the adverse effects of poor waste management and protect environmental health



Figure 3: EHP conducting undertaking a clean-up campaign in Richmond Local Municipality

Health Surveillance of Premises: The identification, monitoring and evaluation of health risks, nuisances and hazards and instituting remedial and preventative measures. Various public facilities such as schools, early childhood development centres, old age homes and various other types of facilities were inspected in 2024/2025 to ascertain legal compliance and their suitability to accommodate its intended users. Those that are required to register were registered as per relevant legislation. 336 public facilities were inspected in this period. Those premises that proved compliant in terms of environmental health requirements were issued with the relevant health certificates. Those that were not issued with orders of instruction to reach compliance or prohibition notices preventing them from operating until compliance was reached

Health Surveillance and Prevention of Communicable Diseases, excluding immunisations: The identification, monitoring and prevention of any disease which can be communicated directly or indirectly from any animal or through any agent to any person or from any person suffering thereof or who is a carrier to any other person. As reports that are received from the District Communicable Disease Centre (CDC) through the Notifiable Medical Conditions (NMC) app on various outbreaks of communicable diseases in communities; investigations are conducted by area based EHPS. These include source detection, education and implementation of control measures to stop or prevent the spread of disease. In the 2024/2025 period, communicable disease cases investigated by EHPs were primarily related to food poisoning, Malaria, Bilharzia and Rabies outbreaks. The environmental health unit conducts public education, raising awareness about environmental health risks and promoting, healthy practices that will mitigate the outbreak of such illnesses.

Vector Control

Vector control is a crucial aspect of environmental health, focusing on managing vectors like mosquitoes, ticks, and rodents that transmit diseases. Effective vector control strategies can significantly reduce the risk of vector-borne diseases, protecting

public health. Our aim is to reduce vector breeding sites, such as eliminating standing water and improving drainage and to use insecticides and rodenticides judiciously to control vector populations, while minimizing environmental impacts. Our annual activities involved baiting of rodents in public areas in order to minimize their multiplication and to reduce potential spread of zoonotic diseases (i.e., disease that are transmitted from animals to humans). A total of **64** public sites were baited to assist with eradication of rodents.



Figure 4: EHA baiting a site with rodent blocks

Health Education and awareness raising on various Environmental Health issues.

A **188** awareness raising and educational exercises were conducted throughout the district covering different areas of environmental health. Some of these awareness exercises were for prevention purposes whilst others were triggered by a disease occurrence in areas around the district.

Education around the following topics were conducted throughout the district: Mpox, rabies, bilharzia ,waste management and illegal dumping, health, hygiene and sanitation, handwashing, water safety and wastewater management, and food safety. EHPs, strategically targeted schools , creches , clinics and public awareness events to share information and to distribute informative resources and educational material.



Figure 4: Community awareness raising at Shiyabazali in uMshwathi on waste management issues



Figure 5: EHA conducting a health education session for learners at a school

Air Quality Management

The Municipality is the Atmospheric Emission Licensing Authority, and the function is executed with assistance from the Provincial and National Department of Economic Development, Tourism and Environmental Affairs (EDTEA).

In terms of the National Environmental Management: Air Quality Act (Act No 39 of 2004) (NEMAQA), the uMgungundlovu District Municipality has a designated Air Quality Officer who facilitates and coordinates all air quality issues, including the licensing of all facilities who conduct listed activities as set out Section 21 of NEMAQA. The Air Quality officer also monitors atmospheric emissions which emanate from these listed activities and ensures compliance with the national emission standards. Facilities who are issued with Atmospheric Emissions Licenses (AEL) are required to submit annual atmospheric emission reports. In addition to reviewing these reports for compliance, the AQO also audited all atmospheric emissions reports submitted by facilities on the National Atmospheric Emissions Inventory Systems (NAEIS). This was undertaken to ensure credibility and accuracy of the National emissions inventory.

Air quality management and control is currently a function of the UMDM, however the fulfilment of air quality management functions throughout the district is varied with some local municipalities being better capacitated and assuming more responsibility than others to improve air quality and promote clean air through principles that take cognisance of the UMDMs sustainable development needs. In **2024/2025** UMDM worked together with communities and stakeholders to minimise the impact of all air pollution sources on the health and well-being of persons within the district. By facilitating co-operative governance and communication between the different spheres of government we have ensured efficient air quality management and control. We investigate pollution sources that emanate from complaints, and we continue to licence all listed activities in terms of section 21 of NEMAQA.

Unfortunately, due to limited human capacity, the district has been unable to register all Section 23 Boilers (small boilers above 10 MW and below 50 MW). The district has however, promulgated and implemented the amended Air Quality Bylaws. The District has also reviewed and adopted the Air Quality Management Plan which now includes an updated baseline report and an emissions inventory as well as dispersion modelling. Whilst the District faces various air pollution challenges which include persistent issues such as domestic fuel burning and industrial emissions including waste disposal emissions, biomass and sugar cane burning emissions and emissions from vehicles and small boilers, we continue to implement the AQMP to deal with these sources and to improve the state of air within uMgungundlovu.

Air Quality Licencing and Complaints	Number
New AELS issued	0
No of AELs renewed	4
No of applications for Change of ownership received	2
No of AELS withdrawn due to closure	1
Air Quality complaints received and resolved	50

3.3.2 CEMETERIES AND CREMATORIA

The Municipal Structures Act of 1998 grants a District Municipality in terms of Section 84 (e) the following powers and functions relating to Solid Waste Management (SWM) : Solid waste disposal sites, in so far as it relates to— (i) the determination of a waste disposal strategy; (ii) the regulation of waste disposal; (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district. A local municipality has the powers and functions relating to cleansing public spaces, collection of solid waste from households, business, and institutions as well disposal of solid waste. Like Cemeteries and Crematoria, the nature of the function is a shared responsibility between LMs and the DM.

The approved IWMP is now a planning and legal instrument that will be used to plan, develop and improve access to infrastructure and delivery of waste management services. Some of the first-year activities listed in the IWMP were under implementation whilst others were unfunded and many were being conceptually developed and packaged to test private sector interest to invest in solid waste management infrastructure from transfer stations, other economically sustainable recycling of wasted materials with a focus on projects and technology that recycle organic waste into valuable new materials and reduce methane production through landfilling, since methane GHG is more potent than CO₂ at warming the earth but lives in the atmosphere for 10 to 20 years unlike CO₂ which lives hundreds of years, Climate change targets globally list methane as the best option to keep warming below 2 degrees. Given this nexus between climate change and solid waste significant support is available at a global level for support projects that reduce methane production, solid waste being responsible for almost 10% of global methane production. This area will be focussed upon in the new financial year.

The other focus area is to increase the recovery of all plastics since micro sized plastic is formed when plastic is discarded in an uncontrolled manner and is harmful to the well-being of human, food, animals, air, water and soil and these microplastics live for long periods of time. UMDM has explored projects with private partners, waste pickers and waste SMMEs to look at projects that can increase the collection of high value plastic and looks at flexible shopping bags plastics that are extremely difficult to recycle into valuable product that has a market. A project proposal has been received from an NPO and Plastic Recycling Equipment manufacturer and will be looking at feasibility of the partnership and secure budget to participate in such or other projects that support SMMEs to grow their enterprises.

To have a co-ordinated state that governs together from one joined up plan for each of the basic and essential services provided by all spheres of government, the DDM approach must be implemented across a District spatial area. UMDM launched the DDM working group for Solid Waste Management and Cemeteries and Crematoria more than three years ago. Both technical groups met quarterly during the 2024 /25 financial year and include LMs and KZN COGTA and EDTEA. This platform has proved very useful for strategy

development, planning and budgeting that is usually undertaken through the IWMP process to be a collaborative joined up One Plan so that duplication and misalignment is avoided. It has also been successful in getting government across all levels to act urgently and decisively manner when required.

3.3.3 SPORTS, ARTS AND CULTURE

Overview of projects and programs conducted for 2024/ 2025

Highlights and Achievements

3.3.3.1 SALGA KZN DSAC GAMES

uMgungundlovu District Municipality successfully coordinated and delivered team UMDM to the SALGA KZN DSAC Games 2024 in partnership with all seven Local Municipalities, Sport federations and Confederations. uMgungundlovu District Municipality participated in 11 sport codes out of 14 sport codes. There were 310 athletes including technical officials that participated as team uMgungundlovu District Municipality and there were necessary preparations that had to be done for proper planning. This includes the securing of accommodation for Athletes, Technical Officials, Councillors, and Support Staff as well as selection of teams, training sessions and other logistics such as clothing and transport. This time, Team uMgungundlovu District Municipality did not do well as it attained an overall results position NINE. One gold medal in Basketball Males; three silver medals in Basketball Females, Indigenous Games, Rugby Males and Table Tennis; and three bronze medal in Dancesport, Netball females and Rugby Females. Nonetheless the games went well and UMD was able to deliver the participants to the games as planned.

uMgungundlovu District Municipality's team SALGA KZN DSAC Games 2024 obtained the following positions as per code:

NUMBER	SPORT CODE	POSITION
01.	Athletics	10 and two athletes obtained gold medals
02.	Basketball Males	1
03.	Basketball Females	2
04.	Boxing	Knocked down in group stages
05.	Chess	4
06.	Dancesport	3
07.	Football Males	Knocked down in group stages
08.	Football Females	Knocked down in group stages
09.	Indigenous Games	2
10.	Netball Females	4
11.	Netball Males	5
12.	Rugby Males	2
13.	Rugby Females	3
14.	Table Tennis	2
15.	Volleyball Males	7



3.3.4.2 GOLDEN GAMES

uMgungundlovu District Municipality managed to successfully implement and support sports in a form of Golden games for Senior Citizens in line with the Older Persons Act's (Act No. 13 of 2006) objective of promoting and maintaining the rights, wellbeing, safety and security of older persons. UMDM partnered with the Department of Sport, Arts and Culture, Department of Health (Five Nurses), Department of Social Services Development, Local Municipalities, District Municipality, Age-in-Action and uMgungundlovu Senior Citizens Forum to successfully host the District games which then culminated into selection of a district team that went on to represent the district in the Provincial games held at Ilembe District.

Having excelled in the Provincial games, a total of 24 Senior Citizens from the District team were selected to participate in the National games as part of a Provincial team. This is a huge achievement for the district to have supported and implemented Golden games from the grassroots level, then seeing them off to represent the Province in the National games

3.3.4.3 DISABILITY GAMES

uMgungundlovu District Municipality successfully coordinated and delivered the UMDM Disability team to participate in the Disability Games 2024 at a Provincial level in partnership with all seven Local Municipalities, Department of Sport, Arts and Culture, Department of Social Development, Department of Health and uMgungundlovu District Disability Forum. The UMDM Disability Sector represented uMgungundlovu District Municipality at Provincial Disability Games 2024 through the following sports codes and obtained position FOUR in the overall results:

- i. Athletics
- ii. Basketballs (wheelchair)
- iii. Chess
- iv. Football
- v. Goalball
- vi. Umlabalaba
- vii. Netball
- viii. Table Tennis



Figure 3: Disability games

uMgungundlovu District Municipality successfully hosted Mayoral Ingoma and Isicathamiya Festival in partnership with CCIFSA (Cultural and Creative Industry Federation of South Africa) at ward 3 Mpfana Local Municipality in Bruntville Hall. to commemorate the Africa Month, which celebrates the achievements and heritage on the continent where honourable Mayor Councillor M Zuma, Speaker of Mpfana Local Municipality attended. May is recognized as Africa Month and May 25 is an Africa Day.

The Awards were purposed to support and encourage upcoming artists within the district. Trophies accompanied by Prize money were awarded to these artists. Therefore, such recognition went a long well in encouraging the artists, providing a platform for talent identification and development of performing and non-performing arts in uMgungundlovu district area of jurisdiction. Arts and culture can also be used as an important tool in promoting the district as a tourist destination.

3.3.4.5 UMKHOSI WOMHLANGA

Umkhosi Womhlanga is an Annual Reed Dance taking place in September, Kwa Nongoma in Zululand District Municipality. Umkhosi womhlanga remains an important programme that encourages self-preservation in young women particularly at the time where teenage pregnancy is high, there is ongoing HIV infections and sexual abuse in communities. In support of this cultural practice, UMDM ensured provision of transport for maidens from all around the district (7 buses) to enable greater attendance of district maidens in this programme. The total number of maidens and their matrons transported was four hundred and sixty-two (462).

Other Highlights and Achievements

- uMgungundlovu District Municipality successfully worked with the Department of Sport, Arts and Culture, and all seven Local Municipalities in hosting the District Youth Run and successfully delivered a team to Provincial level with the full support of the Department of Sport, Arts and Culture

3.3.5 YOUTH

Overview of projects and programs conducted for 2024/ 2025

Highlights and Achievements

In alignment with the National Youth Policy 2020–2030 and the KwaZulu-Natal Provincial Integrated Developmental Strategy, the uMgungundlovu District Municipality continues to prioritize youth empowerment as a key driver for sustainable socio-economic development. The municipality recognizes that young people are central to achieving inclusive growth, reducing unemployment, and building resilient communities.

In response to these national and provincial frameworks, the Youth Office has implemented strategic programmes aimed at addressing the core challenges faced by young people, including limited access to skills development, employment, and entrepreneurship opportunities. These initiatives are designed to enhance youth participation in the local economy, promote innovation, and support the transition from education to the world of work.

During the 2024–2025 financial year, the Youth Office successfully coordinated several impactful programmes such as the Job Preparedness Programme, Cooperative Support Programme, Youth Entrepreneurship Workshop, Matric Top Achievers Awards, Youth Indaba, and the Matric Career Exhibition. Collectively, these interventions sought to empower youth through skills training, business development support, career guidance, and recognition of academic excellence, contributing meaningfully to the district's youth development agenda.

Youth Economic Empowerment and Entrepreneurship Development Pillar

The uMgungundlovu District Municipality, through its Youth Development Office, continues to implement strategic interventions aimed at promoting youth participation in the economy, strengthening entrepreneurial capacity, and supporting youth-owned enterprises. Various activities were undertaken during the 2024/2025 financial year to advance the objectives of the Youth Economic Empowerment and Entrepreneurship Development Pillar.

Participation in the KwaZulu-Natal Youth in Business Summit

The uMgungundlovu District Municipality youth participated in the KwaZulu-Natal Youth in Business Summit, hosted by the KwaZulu-Natal Premier, Hon. A.T. Ntuli, on 11–12 July 2024 at the Durban Exhibition Centre.

The primary objective of the summit was to review and strengthen the Provincial Youth Economic Development Strategy to ensure it effectively addresses issues of youth unemployment, entrepreneurship, innovation, drug and substance abuse, teenage pregnancy, and other socio-economic challenges affecting young people in the province.

In his keynote address, Premier Ntuli outlined several ongoing and new initiatives to promote youth entrepreneurship, including:

- Youth Empowerment Fund – increased from R60 million (2018/2019) to R100 million.

- Business in a Box Programme – implemented in partnership with Dunlop Tyres to support youth in tyre service and related industries.
- Operation Vula Fund – providing tools, equipment, and machinery for youth-owned businesses.
- Zimele Traders Fund – aimed at uplifting and formalising township and rural trading businesses.

These initiatives align with the District's objectives of promoting inclusive youth participation in the economic mainstream.



Figure 1 and 2: KwaZulu-Natal Premier, Hon. A.T. Ntuli and Youth Delegates at the KwaZulu-Natal Youth in Business Summit

Youth Entrepreneurship Development Workshop – Richmond Local Municipality

In partnership with the Richmond Local Municipality, the uMgungundlovu District Youth Office hosted a Youth Entrepreneurship Development Workshop on the 27th of November 2024 at the Richmond Sports Complex.

The purpose of the workshop was to provide an information-sharing and capacity-building platform to assist aspiring entrepreneurs and young business owners in starting, growing, and sustaining their enterprises.

The workshop was supported by several key government departments and agencies, which presented on available opportunities for emerging youth entrepreneurs within the public and private sectors, covering topics such as business registration, funding, and support services.



Figure 1 and 2: NYDA and SEDA sharing information to young entrepreneurs about business fundings and offerings.

Support for Youth-Owned Cooperatives – Isolomzi Agricultural Primary Co-operative

The Youth Development Office, through its Service Delivery Budget Implementation Plan (SDBIP), provided support to Isolomzi Agricultural Primary Co-operative Limited, a youth-owned enterprise based in Nhlazuka, Ward 5, Richmond Local Municipality. Established in 2022, the cooperative is managed by young farmers cultivating sugarcane on a two-hectare plot. Since its formation, the cooperative has focused on expanding production, creating employment opportunities, and fostering youth participation in agriculture.

To enhance the cooperative's operations, the uMgungundlovu District Municipality supplied essential materials and equipment, including a water pump, 240 × 50kg bags of cement, and 8 rolls of Veldspan wire. The official handover was led by Cllr. M. Ngcongco, Mayor of Richmond Local Municipality, together with the District's Social Services Manager, Mrs N. Chapi. This initiative underscores the District's ongoing commitment to supporting youth-owned agricultural enterprises and advancing sustainable rural development.



Figure 1 and 2: Cllr M Ngcongco, Mayor of Richmond Local Municipality and the District's Social Services Manager, Mrs N. Chapi during the handover ceremony.

PILLAR 1: EDUCATION AND SKILLS DEVELOPMENT

In alignment with Pillar 1 of the National Youth Policy 2020–2030, which focuses on quality education, skills development, and improved learning outcomes, the uMgungundlovu District Municipality Youth Office implemented a range of educational programmes during the 2024/2025 financial year.

1. Programme 1: Matric Career Exhibition

The Matric Career Exhibition, held on 23 April 2025 at Impendle Presbyterian Church Hall, brought together 888 matric learners from 13 high schools. The programme was designed to empower Grade 12 learners with essential information on career opportunities, study options, and employment prospects. Its main purpose was to help learners make informed decisions about their future academic and professional paths, particularly as they transition from school to higher education or the world of work.

The programme was officially opened by Mrs. N. Chapi, who highlighted the importance of early career planning and access to diverse opportunities for learners in rural communities. The keynote address, delivered by Cllr Mzi Zuma, Mayor of uMgungundlovu District Municipality, encouraged learners to take full advantage of the information and resources presented at the exhibition. He acknowledged

the unique challenges faced by rural youth and emphasized the municipality's commitment to supporting them through education and development initiatives.

The event attracted a wide range of stakeholders, including representatives from government departments such as Basic Education, Health, Social Development, and Labour. Institutions of higher learning—including universities, TVET colleges, and private colleges—were also present, alongside corporate partners such as Sappi, Eskom, and African Bank. Their participation ensured that learners were exposed to a broad spectrum of career possibilities and study pathways.

The exhibition achieved its intended outcomes by providing learners with direct access to career information and post-school opportunities. Learners actively engaged with exhibitors, sought guidance, and collected materials to assist in planning their futures. Overall, the programme created a valuable platform for interaction between learners and professional institutions, inspiring participants to pursue academic excellence, personal growth, and meaningful career goals.



Figure 5 and 2: Cllr M Zuma, Mayor uMgungundlovu District Municipality and Matric Learners during the Matric Career Exhibition.

2. Programme 2: Matric Top Achievers Awards

Dates: 4 February 2025 – 25 February 2025

Venues: Athletic Stadium, Impendle Presbyterian Church Hall, Maritzburg College

The Matric Top Achievers Awards were held to celebrate academic excellence and acknowledge the exceptional achievements of learners, educators, and schools within the uMgungundlovu District. The primary purpose of these awards was to motivate learners to strive for outstanding performance while inspiring educators to maintain their dedication to quality teaching and learning.

The programme was hosted in collaboration with the Department of Education and the KwaZulu-Natal Christian Council (KZNCC). A series of events were held across the district to honour the Class of 2024, culminating in the 3rd Annual uMgungundlovu District National Senior Certificate Awards on 25 February 2025 at Maritzburg College. During these events, recognition was given to top-performing learners, outstanding educators, and high-achieving schools for their remarkable contributions to the advancement of education in the district.

The outcomes of the programme were significant. It successfully promoted a culture of academic excellence among learners, strengthened partnerships between the municipality, education stakeholders, and local communities, and encouraged young people to pursue higher education and leadership roles in their chosen fields.



Figure 1 and 2: Celebration of academic excellence and the achievements of the district's top learners alongside Cllr M. Zuma, Mayor of uMgungundlovu District Municipality



Figure 1 and 2: Celebrating the top learners and educators of the Class of 2024 from Impendle Local Municipality, together with Cllr M. Zuma, Mayor of uMgungundlovu District Municipality.



Figure 1 and 2: Celebrating the 3rd Annual uMgungundlovu District National Senior Certificate Awards for the Class of 2024, in the presence of Cllr S. Zungu, Chairperson of the Community Services Portfolio, and Mr. S. Mabinza, uMgungundlovu District Director from the Department of Education.

3. Programme 3: Tertiary Registration Support Programme

The Tertiary Registration Support Programme was introduced to provide financial assistance to students from disadvantaged backgrounds who had secured admission into tertiary institutions but lacked the financial means to pay their registration fees. This initiative aimed to promote equal access to higher education and ensure that deserving learners were not denied the opportunity to further their studies due to financial constraints.

A total budget of R200,000.00 was allocated to support the implementation of this programme. Through this intervention, 32 students from various parts of the district benefited, enabling them to successfully register and commence their academic journeys at different tertiary institutions.

Beneficiary Institutions

Institution	Number of Students
University of KwaZulu-Natal	5
Durban University of Technology	9
University of Witwatersrand	2
Nelson Mandela University	4
University of Pretoria	2
University of Zululand	2
University of Johannesburg	1
uMgungundlovu TVET College	1
UNISA	1
Rhodes University	1
University of Western Cape	2
University of Free State	1
University of Cape Town	1
Total	32

The programmes implemented under the Education and Skills Development Pillar reflect the uMgungundlovu District Municipality Youth Office's strong commitment to empowering young people through education, capacity building, and the creation of opportunities. By fostering collaborative partnerships with government departments, educational institutions, and the private sector, the Youth Office has successfully enhanced access to essential career guidance, study information, and support services for young people across the district.

These initiatives have not only celebrated and rewarded academic excellence but also provided crucial financial assistance to students from disadvantaged backgrounds, enabling them to pursue tertiary education. Collectively, these interventions have made a meaningful

contribution to developing a skilled, informed, and economically active youth population. This progress positions the uMgungundlovu District as a growing hub for youth empowerment, educational advancement, and sustainable community development.

Job Preparedness and Employment Support Programmes

The uMgungundlovu District Municipality, through its Youth Office, successfully implemented a series of Job Preparedness and Employment Support Programmes aimed at empowering unemployed graduates and young people across the District with the skills, information, and opportunities needed to access the labour market.

The first Job Preparedness Programme was hosted on 28 August 2024 at Dalton Cool Air Community Hall in uMshwathi Local Municipality, Ward 7. The main objective of this initiative was to connect young graduates with employment and business opportunities available across both the public and private sectors. The event attracted 100 unemployed graduates from all 14 wards within uMshwathi. Key speakers included Mr. Mkhithi, representing His Worship the Mayor, Cllr M. Zondi, and Mrs. Chapi, who emphasized the programme's significance in equipping young people for the job market. Presentations and training sessions were facilitated by several stakeholders, including the Department of Employment and Labour, the Office of the Premier, the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), and the National Youth Development Agency (NYDA). Participants received guidance on CV drafting, interview preparation, and available youth development programmes.

Building on this momentum, the District collaborated with Msunduzi Local Municipality to host another Job Preparedness and Information Sharing Session at Mpushini Community Hall in Sweetwaters, Ward 2. The session was opened by Ward Councillor Mr. Zuma, who commended the initiative for addressing the high levels of youth unemployment in the area. The programme focused on equipping young people with practical job-seeking skills and strategies for preparing for employment opportunities. Participants also had the opportunity to engage directly with presenters and received assistance in uploading their CVs to the Department of Labour's database. Stakeholders included the Department of Labour, NYDA, SA Youth, and African Bank, who shared information on available programmes, recruitment opportunities, and financial literacy support.

Through these interventions, the uMgungundlovu District Youth Office continues to demonstrate its commitment to promoting youth employability, bridging the gap between education and the labour market, and fostering economic participation among young people across the District.



Figure 1 and 2: NYDA Mr. K Shange and Mr. N Gumede sharing information at the Job Preparedness Programme in uMshwathi Local Municipality



Figure 1 and 2: Cllr M Zuma and Ms Zulu of SA Youth at the Job Preparedness Programme in Msunduzi Local Municipality (Mpushini Hall)

Youth Indaba 2025

The uMgungundlovu District Municipality successfully hosted the 2025 Youth Indaba on 26 June 2025 at Camperdown Town Hall, bringing together over 200 young people from across the district, including representatives from political formations, NPOs, business forums, student movements, and DSD Youth Clubs. The event provided a participatory platform to advance youth development in line with the National Youth Policy (NYP) 2020–2030.

His Worship, Cllr N. Ntombela, Mayor of Mkhambathini Local Municipality, welcomed delegates and emphasized the importance of youth participation in shaping the district's future. He encouraged young people to actively engage, share ideas, and take ownership of their development, while committing to integrate Indaba resolutions into municipal planning. Mrs. N. Chapi, Social Services Manager, highlighted the event's purpose to foster collaboration among youth, government, civil society, and the private sector in shaping the uMgungundlovu Youth Development Strategy.

The keynote address was delivered by Cllr S. Zungu, Chairperson of the Portfolio Committee on Community Services, who encouraged young people to be proactive, exercise their rights, and participate in decision-making processes. She underscored that youth are not only leaders of tomorrow but key drivers of change today.

The Indaba was supported by government departments—including Economic Development, Tourism and Environmental Affairs, Basic Education, Health, Social Development, and Employment & Labour—as well as higher education institutions like the University of KwaZulu-Natal and private sector partners such as Standard Bank. Stakeholders provided career guidance, presentations, and facilitated thematic breakaway commissions focusing on the pillars of the NYP: *Quality Education, Skills and Second Chances; Economic Participation and Transformation; Health and Wellbeing; and Nation Building and Social Cohesion*.

The event concluded successfully with the consolidation of resolutions from the commissions, which will inform the uMgungundlovu Youth Development Strategy, ensuring it addresses the needs, aspirations, and priorities of young people across the district.



Figure 1 and 2: Cllr S Zungu, Chairperson of the Community Services Portfolio and Cllr N Ntombela, Mayor of Mkhambathini Local Municipality

3.3.6 HIV/AIDS

Purpose of the uMgungundlovu District AIDS Council

The uMgungundlovu District AIDS Council (DAC) exists to lead, coordinate, and monitor a multi-sectoral response to the HIV, TB, and STI epidemics and their associated social and health challenges within the district. The DAC provides a unified platform for government departments, civil society, private sector partners, and communities to collaborate in reducing new HIV infections, preventing teenage pregnancies, addressing tuberculosis, combating gender-based violence, and tackling social ills that threaten the wellbeing of residents.



The DAC strives to build a healthier, more resilient, and informed community in which individuals exercise agency over their sexual and reproductive health, live free from stigma and discrimination, and contribute to the overall socio-economic development of the district.

Objectives of the Council

Prevention and Education

To design and implement comprehensive, evidence-based prevention programmes that reduce HIV transmission, promote safer sexual practices, and enhance awareness of risks associated with unprotected sex and substance abuse. The DAC prioritizes targeted outreach to vulnerable groups, including adolescents, sex workers, men who have sex with men (MSM), and people who inject drugs (PWID).

Access to Testing and Treatment

To ensure universal access to HIV testing, counselling, and treatment services through early detection and strong linkage to care. The DAC works closely with the Department of Health and its partners to strengthen ART provision, enhance treatment adherence, and sustain viral load suppression among adults and children



Teenage Pregnancy Prevention

To reduce the high incidence of teenage pregnancies through integrated interventions that include comprehensive sexuality education, access to contraception, youth-friendly health services, and socio-economic empowerment of adolescent girls and young women (AGYW).

Tuberculosis (TB) Control

To integrate TB screening, diagnosis, and treatment into existing HIV services. This includes improving TB case detection, ensuring treatment adherence, and preventing TB/HIV co-infections, thereby reducing TB-related morbidity and mortality.

Sexual Health and Rights

To advance sexual and reproductive health and rights (SRHR) for all, with a strong emphasis on gender equity, GBV prevention, and inclusion of marginalized populations such as LGBTQ+ communities. The DAC works to eliminate stigma and discrimination against people living with HIV (PLHIV).

Community Engagement and Empowerment

To empower communities to participate in the planning, implementation, and evaluation of HIV and social development programmes. The DAC supports capacity-building and community-led advocacy to drive behavioural change and promote accountability at grassroots level.



Strategic Achievements and Programme Highlights (2024/25)

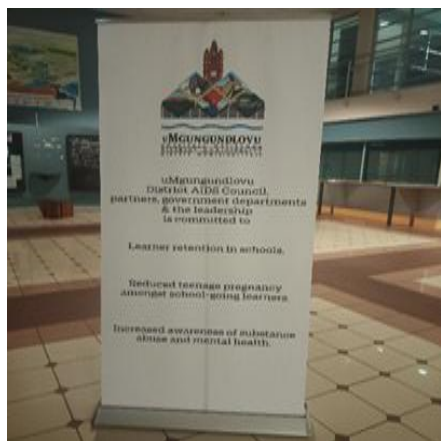
Reduction in HIV Incidence

Through intensified testing, prevention, and ART adherence programmes, the DAC recorded a continued decline in HIV transmission rates during the 2024/25 financial year. Collaborative outreach campaigns and the scale-up of PrEP contributed significantly to new infection reduction.

As of the reporting period, uMgungundlovu achieved **96-82-93** performance against the **95-95-95** UNAIDS targets, marking steady progress toward epidemic control. However, approximately **28,227** additional clients need to be initiated on ART to achieve full coverage by 2030.

Teenage Pregnancy & Substance Abuse Interventions

Under the **Teenage/Learner Pregnancy and Substance Abuse Project**, implemented across **Mpofana, Mshwathi, uMngeni, Richmond, Mpendle, Mkhambathini and Msunduzi** municipalities, the DAC facilitated school and community dialogues aimed at addressing the drivers of early pregnancy and substance use.



Key outcomes include:

- A **noticeable decline in teenage pregnancy rates** between Q2 and Q3 of 2024/25 financial year.
- Over **5,000 learners and educators** reached through awareness campaigns.
- Development of an **Integrated Multi-Sectoral Action Plan on Child Health & Teenage Pregnancy** to be launched in **December 2025**.

Root causes addressed included lack of sexual education, poverty, gender inequality, and peer influence, while psychosocial support and parental engagement were strengthened.

Men's Health Project

Recognizing the persistent health-seeking gap among men, the DAC launched the **Men's Health Project**—a flagship initiative promoting male-friendly health services.



Men's Health Centres were established at **Mayizekanye Clinic (uMshwathi), Mkhambathini, Mpofana, Mpendle and uMngeni Hospital**, offering:

- Dedicated male clinicians,
- Mental health and psychosocial support,
- HIV/TB screening, and
- Integration with the Cheka Impilo Campaign.

This intervention has improved male health service uptake, reduced stigma, and contributed to decongesting mainstream facilities.



Adolescent and Young People (AYP) Programme

Implemented in partnership with **SANAC**, **Office of the Premier**, and **Civil Society**, the AYP Programme expanded safe spaces for adolescents, especially AGYW and ABYM, promoting access to PrEP, contraceptives, and HIV testing.

AYP Champions facilitated school-based health dialogues, reaching over **8,000 youth** with prevention messaging and linking hundreds to health services.



TB Control and Integration

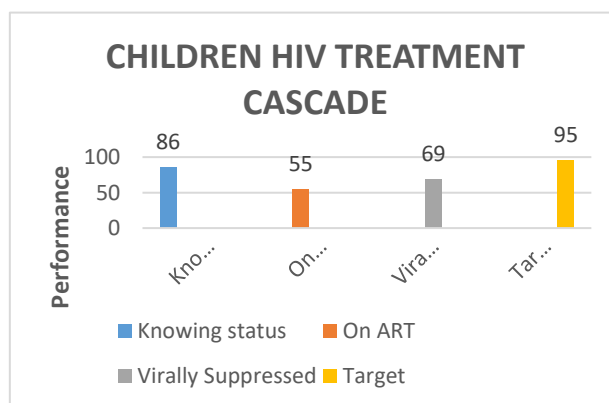
The DAC, through the Department of Health and implementing partners (HST, TBHIVCare, Right-To-Care), enhanced integrated HIV/TB services, achieving a **reduction in TB/HIV co-infection rates** and improved adherence support at community level.

Child Health and HIV Cascade

Children's treatment outcomes remain below optimal levels, with **86% knowing their status**, **55% initiated on ART**, and **69% virally suppressed**. A district-wide multi-sectoral engagement has been initiated to improve paediatric linkage-to-care and treatment retention.

Key focus areas include:

- Strengthening child health and nutrition interventions.
- Enhancing early childhood development and access to schooling.
- Expanding child protection services and psychosocial support.



Substance Abuse and District Drug Action Committee



The DAC launched a **District Drug Action Committee (DDAC)** under the leadership of the Community Services Portfolio Committee Chairperson, Cllr S Zungu, to coordinate all substance abuse interventions throughout the district. The committee oversees school-based and community campaigns focusing on prevention, harm reduction, and rehabilitation linkages.

Partner organizations such as **SANCA, Lifeline, FAMSA, INCEMA, and Inkunzi Isematholeni** have provided critical support in behavior change communication and treatment referrals.

Partnerships and Multi-Sectoral Coordination

The DAC's success is anchored in strong partnerships across government and civil society, including:

- **Department of Health** – clinical service provision and data reporting.
- **Department of Education** – learner-focused prevention programmes.
- **Department of Social Development** – psychosocial and child protection services.
- **HST, TBHIVCare, Right-to-Care, CINDI, Ke-Ready, Women of Worth (WOW)** – community-based implementation and youth empowerment.

This collaboration ensures alignment with the **National Strategic Plan on HIV, TB & STIs (2023–2028)** and the **Global AIDS Strategy (2021–2026)**.



Key Challenges

- Persistent high HIV prevalence among AGYW and key populations.
- Slow ART initiation and poor retention among children and men.
- Rising substance abuse linked to teenage pregnancy and school dropouts.
- Limited funding for community-based and social behavior change interventions.
- Stigma and discrimination affecting service uptake.

Way Forward (2025/26 Priorities)

1. Launch the **Integrated Action Plan on Child Health & Teenage Pregnancy** (December 2025).
2. Scale up **Men's Health Clinics** across all local municipalities.
3. Intensify community ART campaigns to close the treatment gap by (the 1.1 million treatment gap campaign).
4. Expand AYP-led safe spaces and peer education platforms.
5. Strengthen data-driven coordination and monitoring through the Secretariat.
6. Deepen partnerships with private sector stakeholders for sustainability.
7. Host the **Provincial World AIDS Day Commemoration** on **02 December 2025** at **Caluza Multi-Purpose Hall**, under the theme *"Leadership for Impact: Ending AIDS in Our Lifetime."*



2025

DAC

Conclusion

The 2024/25 financial year demonstrated the unwavering commitment of the uMgungundlovu District AIDS Council and its partners in tackling HIV, TB, and related social challenges. Through strong leadership, coordinated action, and evidence-based interventions, the district continues to make meaningful strides toward achieving the UNAIDS 95-95-95 targets and the broader vision of an AIDS-free generation.

The DAC remains resolute in its mission to build healthy, empowered, and resilient communities that thrive on knowledge, compassion, and inclusivity.

3.4 EPWP

From 01 April 2024, government began to implement the EPWP Phase 5, with a target of 5 million work opportunities to be created by 31 March 2029.

The EPWP Phase V Plan seeks to provide means and ways in which the EPWP will be implemented over the five (5) financial years towards achieving and exceeding (where possible) the targets.

The Province of KwaZulu-Natal has been officially announced as the leading province for creating **173 864** Expanded Public Works Programme (EPWP) job opportunities for Quarter 2.

UMDM INTEGRATED GRANT FUNDED EPWP PROJECTS 2024/25

No	NAME OF PROJECT	START DATE	END DATE	NO OF PARTICIPANTS	SECTOR
1	IG/Revenue Enhancement Program	1 July 2024	30 June 2025	20	infrastructure
2	IG/UMDM Internship Program/24/25	1 July 2024	30 June 2025	3	Social
3	IG/UMDM Cleaners/24/25	1 July 2024	30 June 2025	06	Social
4	IG/ UMDM Nonguqa Maintenance Program/24/25	1 July 2024	30 June 2025	06	Infrastructure
5	IG/ UMDM Data Capturers & Admin	1 July 2024	30 June 2025	05	Social
6.	IG/Sports Grounds Maintenance Program/24/25	01 July 2024	30 June 2025	22	Environment & Culture
UMDM INTERNAL FUNDING/ MIG / WSIG FUNDED PROJECTS REPORTING ON EPWP 2024/25					
1	UMDM Mpofana Bulk Connection Bruntville Phumlaas Upgrade	February 2025	March 2026	21	Infrastructure
2	Howick AC Replacement Project	09 October 2024	30 November 2025	41	Infrastruture
3	Completion of Kwamathwanya wrs/2022	November 2024	November 2025	11	Infrastructure
4	umdm security cluster 1	April 2024	March 2026	68	Social
5	Trustfeed Phase 2			12	Infrastructure
6	UMDM Skills Development Unit Interns - SETA	June 2025		47	Social

No	NAME OF PROJECT	START DATE	END DATE	NO OF PARTICIPANTS	SECTOR
7	UMDM Fire Trainees	July 2024	June 2025	29	Environment & Culture
8	UMDM VIP Sanitation	June 2025	September 2025	93	Infrastructure
9	UMDM Internship Program/ WSA,RISK,Revenue and Reception			12	Social
10	UMDM Skills Dev Interns - Nated	June 2025		52	Social

New MIG / WSIG Funded Projects:

- 1) SANITATION VIP Toilets Project
- 2) Construction Of Boreholes
- 3) Inadi Water Supply Project
- 4) AC Replacement Project – Rosetta
- 5) AC Replacement Project - Camperdown
- 6) Nhlatimbe Khathikhathi Water Project

Training Program – Plumbing Hand QCTO Accredited – NQF Level 3

EPWP Training Program – Plumbing Hand (NQF Level 3) – Revenue Enhancement Program

Successes

- EPWP Standard contract utilised when appointing EPWP participants internally (HR)
- EPWP employment conditions are applied when employing EPWP participants.

3.5 EMERGENCY SERVICES

3.5.1 FIRE SERVICES UNIT

Fire services play a critical role in the protection of this network of economic infrastructure. It is therefore important to continuously increase the capacity of fire services to deliver on its critical mandate as failure to do so may impact negatively on socio-economic development.

Both social and economic infrastructure and rural development requires reliable and efficient fire services across the country with the capacity to provide adequate protection from fires.

Role of the Fire Services unit

- To save Lives
- To prevent the spread of fire and the destruction of property by fire
- To render humanitarian services
- To save the Environment
- To deal with Chemical Incidents

• Provide Medical Services



3.6 DISASTER MANAGEMENT SERVICES

3.6.1 DISASTER MANAGEMENT CENTRE

Activities of the Municipal Disaster Management Centre

Key performance area 1

Objective: To establish the necessary institutional arrangements for implementing disaster risk management in terms of the Disaster Management Act, 57 of 2002.

Establishment of the Disaster Management Centre

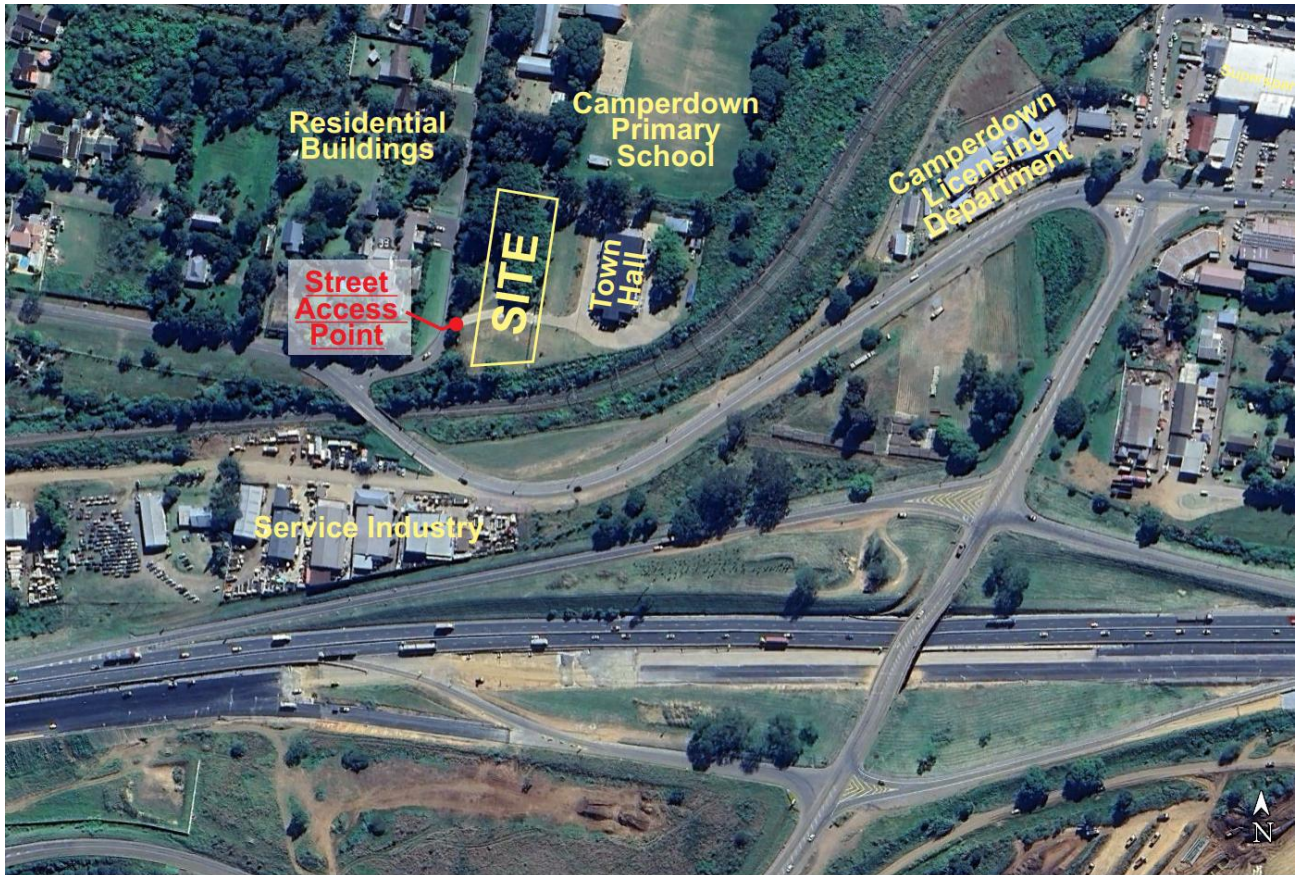
Section 43 (1) of the Disaster Management Act 57 of 2002, provides that each metropolitan and district municipality must establish in its administration a disaster management centre for its municipal area.

A functional district disaster management centre requires an approved policy framework and plans, adequate physical facilities, sufficient personnel, and robust IT systems, including early warning and communication capabilities. It must also demonstrate a functional institutional arrangement with clear leadership, a budget, and the ability to coordinate prevention, mitigation, preparedness, response, and recovery efforts with stakeholders and local municipalities, as mandated by the disaster management act.

Currently, the uMgungundlovu District Municipality is leasing premises which are situated at 5 Quarry Road, Leonard, Hilton from the uMngeni Local Municipality to conduct disaster management operations.

The following milestones have been achieved in relation to the proposed construction of the Disaster Management Centre at no. 2 Scott Street, Camperdown:

- ☐ Site identified, secured, fenced and zoned.
- ☐ Topographic survey completed.
- ☐ Water connection completed.
- ☐ Preliminary designs (stage 2) completed.
- ☐ An order of magnitude estimate, also known as a Rough Order of Magnitude (ROM) estimate, (rough estimate of a project's cost) completed
- ☐ Application for electricity supply pending
- ☐ SPLUMA application completed
- ☐ Land transfer pending



THE SITE

The designated site is situated at 2 Scott Street, Camperdown, strategically positioned approximately 1.2 kilometers from the N3 highway, accessible via the R103. Presently, the site shares its vehicular and pedestrian access road with the Camperdown Town Hall, establishing a notable point of reference within the locale.

Access to the site is facilitated through Scott Street, with its immediate surroundings featuring prominent landmarks such as Camperdown Primary School, the town hall, a railway line, and residential structures in close proximity. Furthermore, situated within a one-kilometer radius are retail amenities, encompassing a supermarket, butchery, pharmacy, and assorted stores.

Integrated Institutional Capacity for Disaster Risk Management

Meetings of the Disaster Management Advisory Forum and the Disaster Management Practitioners Forum held during the 2024/25 Financial Year are shown in the table below:

DMPF	DMAF
16 August 2024	6 September 2024
28 October 2024	1 November 2024
13 February 2025	11 February 2025
23 May 2025	5 June 2025

Key performance area 2

Objective: Establish a uniform approach to assessing and monitoring disaster risks that will inform disaster risk management planning disaster risk reduction undertaken by organs of state and other role players.

Results of Ward-based risk assessments

Ward based disaster risk assessments will be undertaken as part of the review of a Disaster Management Plan during the 2025/2026 Financial Year.

During the 2024/25 Financial Year, the uMgungundlovu District Municipality provided technical support to Municipalities within its sphere of authority in the process of conducting Ward Based Risk Assessments.

Listed below are the hazards found to be significant during the Ward-based risk assessments conducted during the 2024/2025 financial year:

High risks

- Heavy rainfall
- Strong winds
- Veld / Forest fires

Medium risks

- House fires
- Tornado
- Lightning
- Drought
- Hail
- Flash floods / River floods

Low risks

- Snow

Key performance area 3

Objective: To ensure all disaster risk management stakeholders develop and implement integrated disaster risk management plans and risk reduction programmes in accordance with approved frameworks.

Capacity building / Trainings / Public education and awareness programmes undertaken

Public education and awareness campaigns

The table below shows a list of capacity building / trainings / public education and awareness campaigns conducted in conjunction with the Local Municipalities in the 2024/5 Financial Year.

Municipality	Dates	Program	Area
uMngeni LM	18/07/24	Fire Safety Awareness Education	Emandleni Community Hall, Never Never Land
	05/11/2024	School safety awareness campaign	Ekukhanyeni P. School
	20/12/2024	Festive season safety awareness campaign (motorcade/roadshow)	Impendle village
	05/11/2024	School safety awareness campaign	Ekukhanyeni P. School
	05/11/2024	School safety awareness campaign	Ekukhanyeni P. School
	20/12/2024	Festive season safety awareness campaign (motorcade/roadshow)	Impendle village
	28/01/2025	Disaster Climate Change Awareness Education	Ward 5 Hawkstone hall
	17/02/2025	Phelophepha fire safety training	Ward 9
	10 April 2025	Fire Safety Awareness Education	Shiyabazali Informal Settlement, Ward 1
	07 May2025	Fire Safety and Climate Change Awareness Education	Ward 13 : Lidgetton Pre School
	15 May 2025	Fire Safety and Climate Change Awareness Education	Ward 03 :Transnet Informal Settlement (Estendeni)
	23 June 2025	Fire and Safety Awareness Campaign	Ward 12 : Jabavu Informal
	25 June 2025	Fire and Safety Awareness Campaign	Ward 6 : Emandleni Informal Settlement
	10 April 2025	Fire Safety Awareness Education	Shiyabazali Informal Settlement, Ward 1
	07 May2025	Fire Safety and Climate Change Awareness Education	Ward 13 : Lidgetton Pre School
	15 May 2025	Fire Safety and Climate Change Awareness Education	Ward 03 :Transnet Informal Settlement (Estendeni)
	23 June 2025	Fire and Safety Awareness Campaign	Ward 12 : Jabavu Informal
	25 June 2025	Fire and Safety Awareness Campaign	Ward 6 : Emandleni Informal Settlement
Mpofana	17/07/24	Fire Safety Workshop	Mqenula, Ward 4
	18/07/24	Fire Safety Workshop	Middelrus, Ward 4
	19/09/24	Fire Safety Workshop	Ward 1- NCD
	23 October 2024	Business Inspection blitz operation	Town – ward 1 and Bruntville – ward 3
	4 November 2024	Disaster awareness conducted in Operation Sukuma Sakhe	Ronderbosch hall in ward 2
	8 November 2024	Disaster awareness conducted in Operation Sukuma Sakhe	Middelrus hall in ward 4
	13 November 2024	Crime awareness Imbizo	Nyamvubu hall in ward 4
	29 November 2024	Business Inspection blitz operation	Town and township – ward 1 and 3
	4 December 2024	Agriculture/ Disaster awareness conducted	Bruntville Hall
	12 December 2024	Farmers awareness conducted	Bruntville Hall
	17/01/2025	Agriculture/ Disaster awareness conducted	Bruntville hall in ward 3
	14/02/2025	Fire education workshop	Kwamthanya Ward 4
	19/02/2025	Crime imbizo awareness campaign	KwaToyi ward 4

Municipality	Dates	Program	Area
	27/03/2025	Consumer Education & Water Month Awareness Programme	Bruntville hall
	3 April 2025	Cleanup Campaign	Township
	9 April 2025	Business Inspection	Nyamvubu
	24 April 2025	Crime imbizo	Nyamvubu Hall
	25 April 2025	Crime Imbizo	Ronderbosch Hall
	25 June 2025	Business Inspection	CBD
Mkhambathini	06/08/24	Disaster Awareness and Clean-Up Campaign	Vans Informal Settlement
	21/08/24	Fire Education	Camperdown
	16/09/24	Fire Drill and Evacuation	Mkhambathi CBD
	19/09/24	Multisectoral School Safety Awareness Campaign	Maqongqo Community Hall
	16/09/24	Fire Drill and Evacuation	Mkhambathi CBD
	18-20 October 2024	International Mass Prayer	Camperdown
	13 November 2024	Business inspection – Food poisoning case	Mkhambathini
	22/01/2025	Joint awareness campaign	Camperdown taxi rank
	20/02/2025	Disaster Management awareness campaign	Nkanyezini hall
	27/03/2025	Winter season preparedness – schools awareness campaign	Gulube and Mid Illovo schools
	6 June 2025	Fire Safety Awareness	Ntweka Primary School
	7 June 2025	Joint Winter Season Campaign	Vila Maria Primary School
Msunduzi	24/07/24	Disaster Prevention and Safety	Maqhingha High School
	26/07/24	Disaster Prevention and Safety	Dlenyane Secondary School
	14/08/24	Fire Awareness and Prevention for Amahlubi, Dlangane and Ingula Secondary Schools	Msunduzi Fire Station
	26/09/24	Summer Season Preparedness, Flood and Thunderstorm Awareness	Jika Joe
	26/09/24	Summer Season Preparedness, Flood and Thunderstorm Awareness	Jika Joe
	02/10/2024 18/10/2024 22/10/2024 29/10/2024	Summer season preparedness –Flood and Thunderstorm awareness and prevention	- Msunduzi Fire Station - Petter pan special need school - Caluza community hall - Copesville community hall - Cleland Heyfields
	25/11/2024 26/11/2024 27/11/2024 28/11/2024 29/11/2024	Summer season preparedness –Flood and Thunderstorm awareness and prevention & capacity building	- Sport ground at Regina road - Snathing Community Hall - Nhlalakahle – Ward 31 - Jika Joe – Ward 33 - Ezinketheni – Ward 30 - Encwadi – Ward 39
	06/12/2024 26/12/2024	Disaster Management awareness and capacity-building with a focus on summer preparedness and fire prevention	Liberty Midlands Mall Sacca Mall Sacca Ward 27
	20/01/2025	Disaster Management awareness and capacity-building with a focus on summer preparedness	Imbali Unit 14 hall

Municipality	Dates	Program	Area
	20/01/2025	Summer season preparedness –Flood and Thunderstorm awareness and Fire Prevention	Mvundlweni Ward 4 – Dutch church
	22/01/2025	Summer season preparedness –Flood and Thunderstorm awareness and Fire Prevention	France - One Life church
	23/01/2025	Summer season preparedness –Flood and Thunderstorm awareness and Fire Prevention	Machibisa Poyinande hall
	17/02/2025	Disaster Management awareness and capacity-building with a focus on summer preparedness	Dambuza Sakhamuzi hall
	18/02/2025	Summer season preparedness –Flood and Thunderstorm awareness and Fire Prevention	KwaPata hall
	20/02/2025	Summer season preparedness –Flood and Thunderstorm awareness and Fire Prevention	Vietnam hall – Imbali unit 2
	21/02/2025	Disaster Management awareness and capacity-building with a focus on summer preparedness	Imbali Unit 14 hall
	14/03/2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Mafakatini primary
	25/03/2025	Winter season preparedness – Fire prevention & safety	Smero Ward 40
	26/03/2025	Winter season preparedness – Fire prevention & safety	Q section - Tamboville
	27/03/2025	Winter season preparedness – Fire prevention & safety	Christ Evangelical church – Peacevalley 2
	03 April 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Jika Joe Ward 33
	10 April 2025	Winter season preparedness – Fire prevention & safety	City Hall (Women's Dialogue)
	12 April 2025	Winter season preparedness – Fire prevention & safety	Disaster Management Center (Humanitarian Aid Distribution)
	23 April 2025	Winter season preparedness – Fire prevention & safety	Fire Station
	09 May 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Fire Station
	13 May 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Fire Station
	19 May 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Fire Station

Municipality	Dates	Program	Area
	27 May 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Kwa-Pata Sports Ground
	19 June 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Fire Station
	20 June 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Fire Station
	20 June 2025	Disaster Management awareness and capacity-building with a focus on Winter preparedness	Fire Station
uMshwathi	24/07/24	Winter Season, Climate Change Awareness	Ndlebezembuzi, Ward 12
	31/07/24	Disaster Management Advisory Forum	New Hanover
	26/09/24	Disaster Management and Climate Change Awareness Campaign	Cool Air Community Hall, Ward 7
	21/08/24	Fire Education	Camperdown
	16 October 2024	Public Meeting: Disaster unit invited to do Summer Season Campaign	Efaye Community Hall
	17 October 2024	Integrated School Awareness Campaign	David Mkhize Primary School (Mpolweni Ward 10)
	18 October 2024	Disaster Management Advisory Forum	New Hanover: Council Chamber
	27 November 2024	Business Inspection in Trustfeed	Trustfeed, Ward 3
	05 December 2024	Summer Season Awareness Campaign	Asamkele Creche, Ward 13
	10 December 2024	Climate Change Awareness Campaign	Sibongile Community Hall, Ward 5
	13 December 2024	Climate Change Awareness Campaign	F10 Open Space, Ward 9
	16 December 2024	Climate Change Awareness Campaign	New Hanover Community Hall, Ward 2
	16/01/2025	Tuck-shop inspection with LED Unit (uMshwathi) and Environmental Health (UMDM)	Ward 9 Trustfeed
	23/01/2025	Disaster Management Awareness Campaign	Odlameni primary school
	06/02/2025	Winter Season Awareness Campaign	Gcumisa clinic
	10/02/2025	Winter Season Awareness Campaign	Efaye clinic Ward 3
	06/03/2025	Disaster Management Awareness Campaign	Efaye clinic
	09 April 2025	Fire Safety Awareness Campaign	Cool Air Community Hall, Ward 7
	15 May 2025	UMDM and uMshwathi IDP	Cramond Sport Field
	16 May 2025	Disaster Management Volunteers Capacity Building	New Hanover: Thusong Centre
	13 June 2025	Disaster Management Awareness Campaign	Swayimana, Masibambisane Community Hall
	18 June 2025	Fire Safety Awareness Campaign	Maphumulo Estezi Community Hall
	25 June 2025	Fire Safety Awareness Campaign	Bambanani Community Hall
Richmond	23/08/24	Disaster Management Advisory Forum	Richmond Council Chamber

Municipality	Dates	Program	Area
	21 October 2024	Food Inspection	CBD & rural area
	19/11/2024	Food Inspection	CBD & rural area
	24/01/2025	Disaster awareness	Mkhobeni Area
	16/02/2025	Fire safety awareness campaign	Thornville
	19/03/2025	Business inspection	Richmond CBD
	26/03/2025	Schools' recycling programme	St Bernards - Mizek
	10 April 2025	Fire awareness campaign	Magoda Hall
	17 April 2025	Disaster awareness	Mkhomazi area
	23 April 2025	Shop Inspection	Richmond CBD
	8 May 2025	Fire Awareness	Mkhobeni Area
	15 May 2025	Fire Awareness	Nhlazuka
Impendle	05/11/2024	School safety awareness campaign	Ekukhanyeni P. School
	20/12/2024	Festive season safety awareness campaign (motorcade/roadshow)	Impendle village
	4 June 2025	Winter Season Planning Meeting	Impendle Council Chamber
	11 June 2025	Winter Season Awareness Campaign	Nonquqa Community Hall

Pictures depicting education and awareness campaigns



A disaster management awareness campaign held in Masibambisane Hall, Ward 11, June 2025.



Phelophepha fire safety training, Ward 9, uMngeni LM, 17 February 2025



Winter Season Awareness Campaign, Cool Air Dalton, uMshwathi LM, 09 April 2025.



Fire Safety Awareness Campaign on 10 April 2025 at Shiyabazali Informal Settlement, uMngeni Local Municipality,

Implementation of the other Disaster Risk Reduction Programmes

Installation of lightning conductors

The disaster risk reduction strategies include education and awareness campaigns and structural mitigation activities such as installation of lightning conductors.

The rural communities of uMshwathi, Mpofana, uMngeni, Mkhambathini, Msunduzi, uMngeni, Impendle and Richmond Local Municipalities are prone to lightning. Several incidents reported during the summer seasons of the previous years were a cause for concern. Emanating from that, lightning conductors were allocated to various households during the reporting period.

Dissemination of Early Warning Messages

The uMgungundlovu District Disaster Management Centre partnered with SAWS and other stakeholders such as uMngeni – uThukela Water to implement the Integrated, Climate-driven, Multi-hazard Early Warning System (ICMHEWS) within the area of jurisdiction of uMgungundlovu District Municipality.

Adequate early warning information can increase awareness of disasters and prevent loss of life and reduce the economic and material impact of disasters through proactive disaster preparedness and post-disaster recovery efforts.

Other non-structural measures include building codes and land-use planning laws and their enforcement.

Key performance area 4

Objective: To implement immediate integrated and appropriate response and relief measures when significant events or disasters occur or are threatening to occur.

DISASTER RESPONSE: Disaster response is the immediate action taken after a disaster occurs such as search and rescue operation, firefighting, providing food, water, and shelter etc. Actions planned during preparedness are executed in response phase

DISASTER RECOVERY: UNISDR has defined disaster recovery as the process of 'restoring or improving of livelihoods and health, as well as economic, physical, social, cultural and environmental assets, systems and activities, of a disaster-affected community or society, aligning with the principles of sustainable development and "build back better" to avoid or reduce future disaster risk.

Emergency relief provided by multiple stakeholders

Emergency relief by multiple stakeholders involves coordinated action by a wide range of groups, including governments, NGOs, private companies, community leaders, and individuals, to provide essential aid and recovery services after a disaster. Effective coordination among these diverse actors is critical for speedy, efficient, and impactful disaster response.

The uMgungundlovu District Municipality enjoys support from the social partners and humanitarian organizations such as SANTAM, Gift of the Givers, Al Imdaad Foundation, Red Cross, Cityhope Disaster Relief Organisation and Global Disaster Relief Foundation.

These social partners / humanitarian organizations provided relief and assistance to people affected by disasters. The objective of humanitarian action is to save lives, alleviate suffering and maintain human dignity during and in the aftermath of man-made crises and natural disasters, as well as to prevent and strengthen preparedness for the occurrence of such situations.

Municipality	Period	Blankets	Tents	Food parcels	Box B/ Kitchen set	Sponges	Plastic Sheets	Tarpaulins
Mpofana	July 2024 to June 2025	112	0	190	21	18	235	8
Impendle	July 2024 to June 2025	809	0	309	111	400	118	0
Msunduzi	July 2024 to June 2025	565	0	43	0	553	275	0
uMshwathi	July 2024 to June 2025	4	0	39	0	0	12	0
Richmond	July 2024 to June 2025	466	0	84	0	152	97	0
Mkhambathini	July 2024 to June 2025	132	0	29	0	45	27	0
uMngeni	July 2024 to June 2025	281	0	3	0	281	68	0
TOTAL		2369	0	697	132	1449	832	8

The table above shows multi-sectoral interventions

Disaster Risk Reduction (DRR) Programmes

The vulnerability of the poor is predicted to increase in the future under pressure from increasing human population, environmental degradation, unsustainable socio-economic practices and the adverse impacts of climate change.

Local governments are obliged to make plans and provide resources to protect their citizens from the hazards that threaten their communities. Mitigation activities such as the burning of fire breaks and installation of lightning rods have played an important role in terms of eliminating or reducing the probability of disaster occurrence and reducing the effects of disasters.

Public Advocacy and Awareness Campaigns conducted

Public advocacy and awareness campaigns have been very key in reducing loss of life, personal injuries, and damage from natural disasters. People must be made aware of what natural hazards they are likely to face in their own communities.

The district of uMgungundlovu and its family of Municipalities and social partners such as Working on Fire have intensified Public Awareness Raising Campaigns. These campaigns were characterized by good attendance which is seen in the pictures provided.

Through public education and awareness campaigns the people living in areas prone to hazards such as lightning, fires and floods were sensitized regarding specific dangers of such hazards. It included educating, informing and warning the community about these hazards to better prepare for responding to emergency situations, with less dependence on outside assistance or external intervention.

Through appropriate actions, this increased resilience can help prevent loss of human life and property. The objectives of public awareness raising are to:

- ☐ Increase public knowledge on hazards such as lightning, fire and floods, their nature and possible consequences and impacts.
- ☐ Improve public knowledge on practical preparedness measures at the household level that the communities can implement on their own.

Analysis of the monitoring of prevention and mitigation initiatives

Informal monitoring of awareness campaigns involves community observation and engagement to gauge public understanding and behavioral responses, such as observing how people react to early warning systems or if they are taking recommended safety precautions. Unlike formal evaluations, it relies on qualitative feedback and informal discussions with community members and stakeholders to understand campaign effectiveness and identify immediate areas for improvement, ensuring the ongoing relevance and impact of the mitigation strategies.

Listed below are key aspects of informal monitoring:

- Identification of key indicators, which involves looking for informal signs that indicate understanding, such as a higher number of people seeking information or a greater willingness to prepare for disasters.
- Collection of anecdotal evidence (Encourage community members and volunteers to share their stories and observations about the impact of awareness campaigns).
- Observations (pay attention to how the community reacts to warnings, new safety measures, or public information campaigns).

The lightning rods and fire breaks have resulted in decreased exposure and less vulnerability of houses, buildings and all other elements at risk of lightning and veld / forest fires. The awareness campaigns through loud hailing were a resounding success. The uMgungundlovu District and its family of Municipalities, however, need to invest more in such mitigation initiatives. There is a need to intensify advocacy and public awareness campaigns given that they can be conducted with no or minimal financial costs.

Disasters declared during the Financial Year and incidents that occurred during the Financial Year.

CLASSIFICATION OF DISASTERS AND THE DECLARATION OF STATES OF DISASTER

The District Disaster Management Centre continues to address disaster-related matters through the DMA.

The classification of disasters by the NDMC is executed in terms of section 23 of the DMA with the main aim being :

- (i) Formally determine that a disaster exists.
- (ii) Assign primary responsibility to a particular sphere of government for the coordination and management of the disaster.
- (iii) Ensure that a sphere of government is accountable for the disaster.
- (iv) Enable organs of state in other spheres to assist the sphere having primary responsibility, to deal with the disaster or its consequences.

For the period of reporting, the NDMC classified some of the occurrences as per the DMA to provide support to the affected organs of state. The information for classification of disasters by the NDMC is detailed in the table below.

Classification Status	Type of disaster	Details on the Classification by the NDMC	Publication of classification
National	Severe Weather Events	Classification of a provincial disaster on 29 July 2024: KZN Province	A notice was published in Government Gazette No. 51052 – 5120 of 15 August 2024
National	Severe Weather Events	Classification of a national disaster on 5 March 2025	A notice was published in Government Gazette No. 52230 – 5968 of 7 March 2025

Classification of a disaster gives effect to the following:

- Formal determination that a disaster may occur/ is occurring/ has occurred;
- Assignment of primary responsibility for the coordination and management of the disaster to a particular sphere of government; and ensuring that a sphere of government is accountable for the disaster;
- Enable organs of state in the other spheres of government to assist the spheres having primary responsibility to deal with the disaster or its consequences;
- Enable affected municipalities, provincial and national departments to reallocate funds from own applicable grants to augment the resources for intervention measures as per Section 19 of the Division of Revenue Act (DORA); and
- Enable support to affected organs of state through augmentation of resources from the Disaster Response Grants, in case grant conditions as set in the grant frameworks are met and funds are available.

4.1 (a) Incidents that occurred during the financial year

DISTRICT SUMMATIVE INCIDENT STATISTICS: July 2024 to June 2025

Municipalities	Period July 24 – Jun 25	Number of Incidents	Households Affected	Houses Destroyed		Homeless	People Affected	Fatalities	Injuries	Missing persons
				Totally Destroyed	Partially Damaged					
uMshwathi	July 24 – Jun 25	42	102	104	58	24	597	0	3	0
Mpofana	July 24 – Jun 25	62	582	506	721	76	3521	3	20	0
uMngeni	July 24 – Jun 25	59	248	95	232	83	1094	2	1	0
Mpendle	July 24 – Jun 25	58	303	177	294	161	2162	1	2	1
Msunduzi	July 24 – Jun 25	135	1158	308	1042	166	6135	7	23	0
Mkhambathini	July 24 – Jun 25	29	115	83	131	49	600	2	0	0
Richmond	July 24 – Jun 25	51	400	435	568	16	2695	0	0	0
TOTAL		436	2908	1708	3046	575	16804	15	49	1

INCIDENTS BY TYPE: July 2024 to June 2025

	Traffic collision	Strong Winds	Lightning	Structural Fires	Heavy Rains	Hailstorm	Floods/ Drowning	TOTAL
uMshwathi	0	5	3	20	13	1	0	42
Mpofana	0	17	8	12	20	3	2	62
uMngeni	0	2	0	41	15	0	1	59
iMpendle	0	27	1	7	22	0	1	58
Msunduzi		11	0	95	28	1	0	135
Mkhambathini	0	1	0	10	18	0	0	29
Richmond	0	9	0	16	24	2	0	51
TOTAL		72	12	201	140	7	4	436

NB: Traffic collision is an incident where a motor vehicle crashes into a house

3.7 ANNUAL PERFORMANCE REPORT 2024-2025

DEPARTMENT: TECHNICAL SERVICES																																		
IDP PRIORITY: WORK TOWARDS ELIMINATION OF BACKLOGS ON BASIC ACCESS TO ACHIEVE UNIVERSAL ACCESS																																		
Function	KZ NP GD S Goals	National KPAREf	B2B Pillar	SDB IPR Ref	Strategic CObjective	Strategies	Project Name	Revised Project Name	Annual Key Performance Indicator / Output (2024/2025)	Revised Annual Key Performance Indicator / Output (2024/2025)	Performance Measure/Unit of measure	Demand	Baseline	Backlog	Preceding Year Performance		Annual Target (2024/2025)	Revised Annual Target (2024/2025)	2024/2025 Financial Year Actual performance	Status	Reasons for Variance	Plan for improvement	Annual Budget	Adjusted Budget (November)	Adjusted Budget (November)	Adjusted Budget (February)	Adjusted Budget (May)	Expenditure	Budget Source	POE	REVIS EDP OE	Ward / Municipality	Responsible Unit	Status
															2023 - 2024 Annual Target	2023 - 2024 Actual																		
Water Provision	Strategic Infrastructure	Basic Service Delivery	Pillar 2: Delivering Basic Services – Inf	TEC 1	1. To ensure provision of services in sustainable	1.1. Implementation of infrastructure projects through	1.1.1. Upgrading of the Nkanyezi community water supply	N/A	Percentage constructed and commissioned Upgrading of	Percentage constructed and commissioned Upgrading of	Percentage constructed and commissioned Upgrading of	Construction of 10 ML reservoir, 84%, 9.2 km of bulk pipeli	Construction of 10 ML reservoir, 84%, 9.2 km of bulk pipeli	Construction of 10 ML reservoir, 100%, 16%, 9.2 km	Construction of 10 ML reservoir, 100%, 16%, 9.2 km	Construction of 10 ML reservoir, 100%, 16%, 9.2 km	100% constructed and commissioned Upgrading of the Nk	100% constructed and commissioned Upgrading of	100% constructed and commissioned Upgrading of	Accomplished	N/A	N/A	R30646438.00	16328407.00	16328407.00	16328407.00	16328407.00	30646438.00	MIG	Significant monthly reports Practical completion	N/A	uMkhamba bathini LM Ward 3 & 5	Infrastructure Planning & Development	Target revised during mid-term

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				T E C 4			1.1. 3 uM sh wat hi Slu- m - Tru sted Wa ter Suppl y Scheme Phase 1	C o m m u n i t y W a t e r s u p p l y t o T r u s t f e e d s P h a s e 2 (A F A) M I S 4 5 7 1 9 7	P e r c e n t a g e c o n s t r u c t e d a n d c o m m i s s i o n e d u M s h w a t h i S l u m - T r u s t e e d S u p p l y S c h e m e P h a s e 1	P e r c e n t a g e c o n s t r u c t e d a n d c o m m i s s i o n e d u M s h w a t h i S l u m - T r u s t e e d S u p p l y S c h e m e P h a s e 1 (3 v a l v e c h a m b e r s , 1 P R V	P e r c e n t a g e K M N u m b e r	C o n s t r u c t i o n o f 1 s i t e e s t a b l i s h m e n t , 5 v a l v e c h a m b e r s , 2 P R V m e t e r c h a m b e r s - 0 % , 5 3 c o n n e c t i o n s , 1 5 . 9 k m p i p e l i n e t e s t i n g 1 r e s e r v	C o n s t r u c t i o n o f 1 s i t e e s t a b l i s h m e n t - 0 % , 5 v a l v e c h a m b e r s - 0 % , 5 3 c o n n e c t i o n s - 0 % , 1	C o n s t r u c t i o n o f 1 s i t e e s t a b l i s h m e n t - 1 0 % 0 % 5 v a l v e c h a m b e r s - 1 0 % , 5 3 c o	A p p o i n t e d s e v i c e p r o v i d e r f o r C o m m u n i t y w a t e r s u p p l y t o t r u s t f e e d p h a s e 2 (A F A) M I S 4 5 7 1 9 7 J u n e 2 0 2 4	A p p o i n t e d s e v i c e p r o v i d e r f o r C o m m u n i t y w a t e r s u p p l y t o t r u s t f e e d p h a s e 2 (A F A) M I S 4 5 7 1 9 7 J u n e 2 0 2 4	1 0 0 % c o n s t r u c t e d a n d c o m m i s s i o n e d u M s h w a t h i S l u m - T r u s t e e d W a t e r S u p p l y S c h e m e P h a s e 1 (3 v a l v e c h a m b e r s , 1 P R V m e t e r c h a m b e r s , 8 c o n n e c t i o n s ,	2 5 % c o n s t r u c t e d u M s h w a t h i S l u m - T r u s t e e d W a t e r S u p p l y S c h e m e P h a s e 1 (3 v a l v e c h a m b e r s , 1 P R V m e t e r c h a m b e r s , 8 c o n n e c t i o n s ,	2 1 % c o n s t r u c t e d u M s h w a t h i S l u m - T r u s t e e d W a t e r S u p p l y S c h e m e P h a s e 1 (3 v a l v e c h a m b e r s , 1 P R V m e t e r c h a m b e r s , 8 c o n n e c t i o n s ,	P a r t i a l l y A c h i e v e d	U n s u c c e s s f u l p r e s s u r e t e s t i n g M a y a n d J u n e d u e t o l e a k s o n p r e v i o u s l y l a y e d p i p e s r e s u l t i n g t o a s l o w p r o g r e s s a s w e l l a s i n s u f f i c i e n t r e s o u r c i n g .	T h e c o n t r a c t o r w a s i s s u e d w i t h a s l o w p r o g r e s s l e t t e r a n d t h e A c c e l e r a t i o n P l a n h a s b e e n r e c e i v e d . T h e c o n t r a c t o r h a	R 1 3 3 6 9 3 5 8 . 0 0	R 5 7 7 1 6 7 1 , 0 0	R 5 7 7 1 6 7 1 , 0 0	R 5 7 7 1 6 7 1 , 0 0	3 3 2 0 2 6 8 , 0 0	1 6 3 4 3 2 3 , 0 0	M I G	S i g n e d m o n t h l y r e p o r t s C o m p l e t i o n c e r t i f i c a t e C l o s e o u t r e p o r t	S i g n e d m o n t h l y r e p o r t s	u M s h w a t h i L M W a r d 9	I n f r a s t r u c t u r e P l a n n i n g & D e v e l o p m e n t	T a r g e t r e v i s e d d u r i n g m i d - t e r m Q 3 t a r g e t r e m o v e d a s t h e r e w i l l b e a p p o i n t m e n t o f s e r v i c e p r o v i d e r

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					T E C 4 7 . 1 A			1.1. 7 Bor ehole le and Springs Protection Programme Planning Phase 1	N/ A	Number of bor eholes drilled, pump tested and water quality tested	N/ A	Number	Siting, drilling, Pump Testing and Water quality testing for 20 Boreholes	60 Boreholes installed - 100% Completed and 5 Spring Development Project constructed, completed and commissioned	Sitting, drilling, Pump Testing and Water quality testing for 20 Boreholes	60 Boreholes installed - 100% Completed and 5 Spring Development Project constructed, completed and commissioned by 30 June 2024	60 Boreholes installed - 100% Completed and 5 Spring Development Project constructed, completed and commissioned by 28 June 2024	15 boreholes drilled by 31 December 2024	20 boreholes drilled , pump tested and water quality tested Mkhamathi LM - 15 Impe ndible LM - 05 by 30 Ju ne 2025	84 boreholes drilled , pump tested and water quality tested Mkhamathi LM - 15 Impe ndible LM - 16 by 30 June 2025 Mpofana LM	Achieved and Exceeded	5 boreholes wered drilled at Mpofana Local Municipality due to operational challenges in wa ter supply to the area of Thokoz a. Change of prio rities as the se	Impendible LM boreholes to be implemended up on budget avail ability in 25 /2 6 FY	R 11 02 4 47 3.9 0	13 32 1 12 4,0 0	13 32 1 12 4,0 0	15 45 4 23 9,0 0	22 355 302	7 108 539	WSIG	Signed quarterly report Close ou t report	Signed quarterly / monthlly re port	Impendible LM . Ward Mkham bathini LM Wa rd 1, 2 & 3	Infrastucture Planning & Development	Target reviewe d during mid- term

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					T E C 4 7 .1 B				1.1. 8 Bor ehole and Spr ings Pro tection Program me Planni ng Phase 2	N/ A	Num ber of Bor eholes equ ipped with Solar Panel s, number of elevated JO JO Tank and a stand pipe	N/ A	Num ber	Equipin g of 22 Bor eholes with Solar Panel s, elevated JO JO Tank and a stand pipe.	0	Equipin g of 67 Bor eholes with Solar Panel s, elevated JO JO Tank and a stand pipe.	N/A	N/A	67 Bor eholes equ ipped with Solar Panel s, elevated 1 JO JO Tank with stand pipe by 30 Jun e 2025	22 Bor eholes equip ped with Solar Panel s, elevated 2 Jojo Tanks with stand pipes Mpofa na LM - 08 uMngeni LM - 07 Impe ndle LM	34 Bor eholes equip ped with Solar Panel s, elevated 2 jojo Tanks with stand pipes Mpofa na LM - 10 uMngeni LM - 05 Impe ndle LM	Ach ieve d and E xceed ed	Add itional scope of works due to high water demand Imp end le 1 Bor ehole was inte rnally funded	N/ A								16 230 834	W S I G	Sig ned quar terly re port Close out re port	Sig ned quar terly / mon thly re port	Mpo fana Ward 2 and Ward 4 uMngeni Ward 9 & 5 Impe ndle Ward 1, 2, 3, 4 and 5	Infr ast ructure Plan ning & De vel opment	Tar get re vised dur ing mid term

					T E C 1 2			1.1. 9 Na di Ret icul ation Ph ase 1	N a di W at er R eti cu lat ion S u p pl y S ch e m e - P h as e 1 a n d 2 (A F A) M I S 4 5 7 1 9 7	P e r c e n t a g e s i t e e s t a b l i s h e d a n d p e r c e n t a g e c o n s t r u c t e d N a d i R e t i c u l a t i o n P h a s e 1	N a d i R e t i c u l a t i o n P h a s e 1 a n d 2 (A F A) M I S 4 5 7 1 9 7 F i n a l d e s i g n a p p r o v e d	A p p r o v e d f i n a l d e s i g n	A p p r o v e d f i n a l d e s i g n	A p p r o v e d B u s i n e s s P l a n	C o n s t r u c t i o n o f 23 .4 k m o f p i p e l i n e s (1 00 %) C o n s t r u c t i o n o f a 50 K L R C B P T (1 00 %) Y a r d T a p s : 10 5 T a p s	D e t a i l e d d e s i g n a n d c o n s t r u c t i o n t e n d e r d o c u m e n t a t i o n a p p r o v e d f o r N a d i R e t i c u l a t i o n P h a s e 1 a n d n o t a p p r o v e d f o r N a d i R e t i c u l a t i o n P h a s e 2 b y 30 J u n	100 % S i t e E s t a b l i s h e d a n d 20 % C o n s t r u c t e d N a d i R e t i c u l a t i o n P h a s e 1 b y 30 J u n e 202 5	N a d i R e t i c u l a t i o n P h a s e 1 a n d 2 F i n a l d e s i g n a p p r o v e d (A F A) M I S 4 5 7 1 9 7 b y 30 J u n e 20 25	N a d i R e t i c u l a t i o n P h a s e 1 a n d 2 F i n a l d e s i g n a p p r o v e d (A F A) M I S 4 5 7 1 9 7 b y 30 J u n e 20 25	A c h i e v e d	N/A	N/A	42 67 4 92 3,0 0	86 9 56 5,0 0	86 9 56 5,0 0	46 9 28 4,0 0	469 284	469 284	W S I G	P r e l i m i n a r y d e s i g n A p p r o v e d d e t a i l e d d e s i g n r e p o r t A p p o i n t m e n t l e t t e r S i g n e d m o n t h l y p r o g r e s s r e p o r t	A p p r o v e d d e t a i l e d d e s i g n r e p o r t	U m s h w a t h i L M W a r d 3	I n f r a s t r u c t u r e P l a n n i n g & D e v e l o p m e n t	T a r g e t r e v i s e d d u r i n g m i d - t e r m Q 3 a n d Q 4 T a r g e t r e m o v e d

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Technical Support			Strategic Infrastructure			Basic Service Delivery			Pillar 2: Delivering Basic Services - Infrastructure Delivery and maintenance works	TEC 15	1. Rural roads study to inform road maintenance	1.2.1. Assessments of road conditions using conditional grants	1.2.1.1. Rural Roads Asset Management System - Assessment of the condition of rural roads	N/A	Number of Local Municipalities Data Handover, Number of LM's data collection for burrow pits and percentage of Assessment of Ancillary assets for uMsh	Number of Local Municipalities (Independent, uMshwa and Mkhathini) Data Handover, Number of RRAMS	Number of Local Municipalities (Independent, uMshwa and Mkhathini) Data Handover, Number of RRAMS	Data Handover to 5 LMs - Implementation, uMshwa and Mkhathini - 2 RRAMS Training for 7 LMs (Implementation)	Visual Road Condition Assessment has been conducted for all 7 Local Municipalities - uMshwa and Mkhathini LM, Impendle LM, uMshwa and Mkhathini LM, S trainings for 7 LMs	Collection of road condition data in uMshwa and Mkhathini, Msunduzi, Impendle, Ricmond, uMshwa and Mkhathini LM and Mkhathini LM Training for 7 LMs	Visual Road condition assessments conducted in uMshwa and Mkhathini, Msunduzi, Impendle, Ricmond, uMshwa and Mkhathini LM and Mkhathini LM and Burrow	Visual Road condition assessments conducted in uMshwa and Mkhathini, Msunduzi, Impendle, Ricmond, uMshwa and Mkhathini LM and Mkhathini LM and Burrow	Data handed over to 5 LMs - Implementation, uMshwa and Mkhathini. Data collection for borrows pits within uMshwa and Mkhathini	Data handed over to 5 LMs - Implementation, uMshwa and Mkhathini. Data collection for borrows pits within uMshwa and Mkhathini	Data handed over to 5 LMs - Implementation, uMshwa and Mkhathini. Data collection for borrows pits within uMshwa and Mkhathini	Achieved					2469565	2469565	2469565	2469565	2469565	2469565	2.469,565	RRAMS	Attendance register Progress reports	Attendance register Progress reports	Mkhathini LM Implementation LM Mphahlele LM Mshwa LM Msunduzi LM Richmond LM LM Umgeni LM	Technical Support Services	Target revised during mid-term

								an cill ary as set s for uM su nd uzi LM		nd uzi LM							for uM su nd uzi LM by 30 Ju ne 20 25	uM su nd uzi LM by 30 Ju ne 20 25																		
Infrastructure, Operations & Maintenance	Strategic Infrastructure	Basic service delivery	Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance	TEC 26	1.3. To ensure the provision of services in sustainable manner.	1.3.1 To ensure that Umgenti Water board provides adequate bulk water supply		Number of KL of bulk water purchased		KL	31 510 248KL of bulk water to be purchased	Water stock	None	27 549 924 KL bulk water purchased by 30 June 2024	28 643 461 KL of Bulk Water purchased by 30 June 2024	28 870 032 KL of bulk water purchased by 30 June 2025	N/A	28 482 409 KL of Bulk Water purchased by 30 June 2025	Accomplished	Reduced water losses	N/A	R3 64 917 291,00	R3 64 917 291,00	R3 64 917 291,00	R3 56 740 642,00	R3 56 740 642,00	R3 56 740 642,00	R3 56 740 642,00	R3 56 740 642,00	Interim	Invoices and Bulk Consumption Annexure	N/A	Mpo fanal UMngeni LM, uMshwathini LM, Mkhambathini LM, Richmond LM.	Infrastructure, Operations & Maintenance	Not change on the targets done during Mid term review	

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			d In di ge nt R eg is ter				uM sh wat hi LM, Mk ha mb athi ni LM, Ric hm ond LM and Imp end le LM)			de plo ye d for wa ter del ive ry						ver y by 30 Jun e 202 4	y by 30 Jun e 202 4	ni LM, Ric hm ond LM and Imp end le LM) thro ugh wat er tan ker truc ks hire d and dep loy ed for wat er deli ver y by 30 Jun e 202 5	sh wa thi LM , Mk ha mb ath ini LM , Ric hm on d LM an d Im pe ndl e LM) thr ou gh wa ter tan ker tru cks hir ed an d de plo ye d for wa ter del ive ry by		er to stat ic tan ks													ch m on d L M, Im pe ndl e L M		

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					Pillar 2: Delivery ing Basic Services – Infrastructure	T E C O O	1. To ensure provision of services – Installed equipment.	1.5 .1 Ensure that all pump stations are maintained on a regular basis	1.5. 1.1 (b) uMgun- gundlovu District Municipality Operational Project Interventions	N/A	Number of mm Pipe Main-Laying repaired at Gqumma, Number of high lift pumps at Mb	Number of mm Pipe Main-Laying repaired at Gquuma , Number of high lift pumps at Mb	Number Percentage	Repaired Gquuma Pipeline - Laying of 80mm, 70m long; Mbutisweni Pipeline station - 5 x high	No	No	N/A	N/A	Repaired Gquuma Pipeline - Laying of 80mm, 70m long; Mbutisweni Pipeline station - 5 x high	= 14 days by 30 June 2025	= 14 days by 30 June 2025	Achieved	N/A	N/A	R4347826,09	R0,00	R0,00	R4342687,00	-	4347826,00	MIG	Progress Report Completion Certificate Closeout	N/A	Richmond Ward 1, 4, 5 and 7 uMsawatini Ward 11	Infrastucture, Operations & Maintenance	Target revised during mid-term Quarter 3 target removed as project co-

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			as ic S er vi ce s – Inf ra str uc tur e D eli ve ry and m ai nt en an ce and re du ce d lo ss es wr t W at er and S an ita tio n		ss to su st ai na bl e qu ali ty dri nk in g w at er	y mo nit ori ng re gul ar ly	ian ce in li ne wit h SA NS 241 - 201 5 dri nk in g w at er sta nda rds		mpl ian ce to ens ure mic ro biol ogi cal co mpl ian ce, aes thet ic co mpl ian ce and ope rati ona l co mpl ian ce			nc e to en sur e 95 % mi cro bio log ica l co mp lia nc e, 90 % ae sth eti c co mp lia nc e and 90 % ope rati ona l co mpl ian ce	ens ure 95 % mic ro biol ogi cal co mpl ian ce, 90 % aes thet ic co mpl ian ce and 90 % ope rati ona l co mpl ian ce		ens ure 95 % mic ro biol ogi cal co mpl ian ce, 90 % aes thet ic co mpl ian ce and 90 % ope rati ona l co mpl ian ce by 30 Jun e 202 4	iev ed is: Mic robi olo gic al co mpl ian ce= 98. 8% Aes thet ic co mpl ian ce = 99. 4% Op erat ion al co mpl ian ce = 94. 9% by 30 Jun e 202 4.	ens ure 95 % mic ro biol ogi cal co mpl ian ce, 90 % aes thet ic co mpl ian ce and 90 % ope rati ona l co mpl ian ce by 30 Jun e 202 5		lia nc e, 98. 9% ae sth eti c co mp lia nc e and 96. 30 % op era tio nal co mp lia nc e by 30 Ju ne 20 25.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												</

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Water Conservation and Water Demand Management																																	
Strategic Infrastructure																																	
Basic Service Delivery																																	
Pillar 2: Delivering Basic Services – Infrastructure Delivery and maintenance and reduced losses with Water	TEC 30	1.8 Ensure that water losses are reduced to a minimum standard	1.8.1 Monitoring of bulk water meters and presurised management	1.8.1.1 Compilation and submission of water balance report to DW S.	N/A	Number of monthly water balances reports completed	N/A	Number	12	0	12	12x monthly Water Balances reports completed by 30 June 2024	12x monthly Water Balances reports completed by 30 June 2024	12x monthly Water Balances reports completed by 30 June 2025	N/A	12x monthly Water Balances reports completed by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(International Water Association - IWA) Reports	N/A	U Mngeni, Impendle, Mpozana, Richmond, Mkhambathini, Umswati	Water Conservation and Water Demand Management	No changes on the targets done during Mid-term review
				1.8.1.2 Approved Non-Revenue Water Reduction Strategy	N/A	Date Non-Revenue Reduction Strategy approved and adopted	N/A	Date	None	0	None	Approved Non-Revenue Water Reduction Strategy by 30 Jun	Target was removed during mid-term. It is planned for 2024-	Non-Revenue Reduction Strategy approved and adopted by	N/A	Non Revenue Water Reduction Strategy was approved	Achieved	N/A	N/A	R150000,000	R150000,000	R150000,000	R0,00	R0,00	R500000,00	International Letter Preliminary Report Final	Final Non-Review Recommendation Strategy	U Mngeni, Impendle, Mpozana, Richmond,	Water Conservation and Water Demand Management	poerevised during mid-term			

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DEPARTMENT: COMMUNITY SERVICES																															
IDP PRIORITY : INTERVENTIONS TO ENSURE ENVIRONMENTAL SUSTAINABILITY AND RESILIENCE TO FUTURE SHOCKS																															
Function	KZNP GD S Goals	National KP A Ref	B2 B Pillar	S D B I P Ref	Strategic Objective	Strategies	Project Name	Revised Project Name	Annual Key Performance Indicator / Output (2024/2025)	Revised Annual Key Performance Indicator / Output (2024/2025)	Performance Measure/ unit of measure	Demand	Baseline	Backlog	Preceeding Year Performance		Annual Target (2024/2025)	Revised Annual Target (2024/2025)	2024/2025 Financial Year Actual performance	Status	Reasons for Variance	Planned Improvement	Annual Budget	Adjusted Budget (Feb)	Expenditure	Budget Source	PO E	RE VI SE D PO E	Ward / Municipality	Responsible unit	Status
															2023 - 2024 Annual Target	2023 - 2024 Actual															
Environmental Health	Human and Community Development	Basic Service Delivery	Pillar 3: Good Governance – Compliance with legislation and by-laws	Com 1	1.9 Ensure that factors in the environment that could adversely affect human health	1.9.1 To implement annual operational plan to guide delivery of municipal health	1.9.1 Food Safety – Monitoring	N/A	Number of samples taken from food suppliers, restaurants, dairies and food	N/A	Number	120	0	120	120 x Food Samples - taken within the district by 30 June 2024	144 x Food Samples - taken within the district by 30 June 2024	120 x Food Samples - taken from food suppliers, restaurants, dairies and	N/A	173 x Food Samples - taken from food suppliers, restaurants, dairies and	Achieved and Exceeded	Additional samples were taken from tuck shops, schools and informal food premises as	N/A	R1500000	R1500000	R175964,94	Internal	Laboratory Reports payment voucher	N/A	All LM's except Ms unduzi LM	Social Services	No changes on the targets done during Mid term review

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				C o m 3			1.9.1 .3 Water Quality Monitoring	N/ A	Number of Water Quality Monitoring - Routine water quality testing for pollution from sewage systems	N/A	Number	480	0	480	520 Water Quality Monitoring - Routine water quality testing for pollution from sewage systems by the 30 June 2024	539 Water Quality Monitoring - Routine water quality testing for pollution from sewage systems by the 30 June 2024	520 Water Quality Monitoring - Routine water quality testing for pollution from sewage systems by the 30 June 2025	N/A	537 Water Quality Monitoring - Routine water quality testing for pollution from sewage systems by the 30 June 2025	Ac hi ev ed and Ex ce ded	Additional samples in response to suspected water pollution issues	N/A				Internal	Laboratory Reports payment voucher	N/ A	All LM's except Ms und	Social Services	No changes on the targets done during Mid term review
				C o m 4			1.9.1 .4 Legal compliance of food and food premises -	N/ A	Number of compliance certificates issued for	N/A	Number	60	60	0	60x Compliance certificates issued for compliance prem	61x Compliance certificates issued for compliance prem	60x Compliance certificates issued for compliance	N/A	70x Compliance certificates issued for compliance	Ac hi ev ed and Ex ce ded	additional premises applied for Certificate of Acc	N/A	R 0	N/ A	R0	Internal	Compliance certificates issued	N/ A	All LM's except Ms und LM	Social Services	No changes on the targets done

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							Control		public sites chemically treated for vectors and pests						chemically treated for vectors and pests by June 2024	chemically treated for vectors and pests by June 2024	site s chemically treated for vectors and pests by 30 June 2025		site s chemically treated for vectors and pests by 30 June 2025	and Exceeded	vectors form public facilities required additional baiting to prevent infections							ures		ept Ms unduzi LM	vic es	s on the targets done during Mid term review
Solid Waste Management																																
Solid Waste Management	Environmental Sustainability	Basic Service Delivery	Pillar 2: Delivering Basic Services - Fundable consolidated infrastructure plans. Pillar	Com 8	1.10 To ensure that integrated waste management plan is implemented	1.10.1 To divert waste from the landfill site in line with IWMP	1.10.1.1 SMM E support for plastic recycling	N/A	Number of SMMES supported with in the district to establish a plastic recycling	Project Contractual agreement developed on the establish ment of a plastic recycling	Council Resolution	1	0	1	N/A	N/A	Supported 1 SMM E with in the district to establish a plastic recycling facility by 30 Jun	Project Contractual agreement developed on the establish ment of a plastic recycling facility	Project Contractual agreement developed on the establish ment of a plastic recycling facility	Achieved	N/A	N/A	R500000	R0	R0	N/A	Report Project proposal Project contract agreement Report Register for training Purchase	Project Proposal Contractual Agreement Report Council Resolution	Mkhamathi ni LM	Social Services	Q3 Target removed due to budget adjustment	

			2: Delivering Basic Services – Infrastructure Delivery and maintenance wrt Waste Management					facility	facility and submitted to Council for approval						e 2025	ity and submitted to Council for approval by 30 June 2025	and submitted to Council for approval by 30 June 2025								order				
			Com 10																										
				1.10.1.2 District DDM Technical Hub Meetings for Solid Waste Management	N/A	Number of District DDM Technical Hub Meetings for Solid Waste Management conducted	N/A	Number	1	N/A	N/A	6X District DDM Technical Hub Meetings for Solid Waste Management by 30 June 2024	5X District DDM Technical Hub Meetings for Solid Waste Management by 30 June 2024	4 X District DDM Technical Hub Meetings for Solid Waste Management conducted by 30 June 2025	N/A	4 X District DDM Technical Hub Meetings for Solid Waste Management conducted by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	R0	N/A	Terms of Reference for Solid Waste Management Working Group Invitations, Agenda and Minutes of Meeting	N/A	All LMs	Social Services	No changes on the targets done during Mid term review	

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			h legi slat ion and by- law s				atori a digit al man age ment App		and Cre mat oria digit al Ma nag em ent App ope rate d thro ugh out the distr ict						App acqu ired in 1 LM withi n uMD M by 30 June 2024	App acqu ired in 1 LM withi n uMD M by 30 June 2024	oria digit al Ma nag em ent App ope rate d thro ugh out the distr ict by 30 Jun e 202 5	and Cre mat oria Digi tal Ma nag em ent App thro ugh out the distr ict (Ms und uzi LM, uM nge ni and uM shw athi) by 30 Jun e 202 5	and Cre mat oria Digi tal Ma nag em ent App thro ugh out the distr ict (Ms und uzi LM, uM nge ni and uMs hwa thi) by 30 Jun e 202 5								Mo nthl y App Dat a Rep orts		nge ni		ter m
			C o m 1 3			1.11. 1.3 Cem etery and Cre mato ria Mast erpla n	N/ A	Dat e Cou ncil app rov ed Ce met ery and Cre mat oria	N/A	Dat e	1	0	1	Deve lope d Draft uMD M Integ rated Cem etery and Cre mato ria	Deve lope d Draft uMD M Integ rated Cem etery and Cre mato ria	Cou ncil app rov ed Ce met ery and Cre mat oria Mas terp	N/A	Cou ncil app rov ed Ce met ery and Cre mat oria Mas terp	No t Ac hi ev ed	Cou ncil mee ting held on the 1st July 202 5 to appr ove the	N/A	R 0	0	R0	In te rn al	Reg ister s and Age nda Min ute s of the con sult atio n	N/ A	All LM s	Soc ial Ser vic es	No ch an ge s on the tar get s do ne dur ing	

									Mas ter plan							plan by 30 June 2024	plan by 30 June 2024	lan by 30 Jun e 202 5		lan not don e by 30 Jun e 202 5		Ce met ery and Cre mat oria Mas terpl an						me etin gs Fin al Ce met ery and Cre mat oria Mas terpl an Cou ncil Res oluti on					Mi d ter m rev iew
HIV/AIDS																																	
HIV/AIDS	Human and Community Development		Local Economic Development and Social Development		Pill ar 3: Go od Go ver nan ce – Inte rve ntio ns Pill ar 3: Go od Go ver nan ce – Re gul	C o m 1 4	2.1 To alig n to the Pro vinc ial / Dist rict HIV/ AID S, STI s & TB Pla n for 202 3 - 202 7 and impl eme	2.1. 1 To impl eme nt and fost er an enab lin g envi ron men t in the impl eme ntati on of strat egie s, proj	2.1.1 .1 HIV/ AIDS beha viora l chan ge cam paign s	N/ A	Nu mb er of HIV /AI DS beh avio ral cha nge cam paign s sup port ed with in the Dist rict	N/A	Nu mb er	7	2	5	4 x HIV/ AIDS beha viora l chan ge cam paign s sup port ed with in the Distri ct by 30 June 2024	6 x HIV/ AIDS beha viora l chan ge cam paign s sup port ed with in the Distri ct by 30 June 2024	2 x HIV /AI DS beh avio ral cha nge cam paign s sup port ed with in the Dist rict by 31 Mar ch 202 5	N/A	3 x HIV /AI DS beh avio ral cha nge cam paign s sup port ed with in the Dist rict by 31 Mar ch 202 5	Acc hi ev ed and Ex ce ded	Addi tional prog ram me con duct ed on 27 Nov emb er 202 4 in resp onse to dem and for acti on on Dru	N/A	R 6 7 1 0 0 0	R6 71 00 0	R2 31 110	In te rm al	Min ute s of quar terly me etin gs, photo s and at tenda nce regi sters	Min utes or ev ent prog ram me , att enda nce regi sters	All LM s	Soc ial Ser vices	PO E rev ise d dur ing mi d- term

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				C o m 2 1	2.3 Ens ure that elde rly pers ons and the disa bled are acti ve in spor t and live heal thy lifes tyle	2.3. 1 Impl eme nt the gold en gam es for olde r pers ons and gam es for the disa bility	2.3.1 .1 Gold en Gam es Even t	N/ A	Nu mb er of Gol den Gam es eve nt con duc ted and pro cur em ent of equ ipm ent & pro moti ona l mate rial	N/A	Nu mb er	1	1	0	1x Gold en Gam es even t and pro curem ent of equi pme nt & prom otion al mate rial by June 2024	1x Gold en Gam es even t and pro curem ent of equi pme nt & prom otion al mate rial by June 2024	1x Gol den Gam es eve nt con duc ted and pro cur em ent of equ ipm ent & pro moti ona l mate rial by 30 Jun e 202 5	N/A	1x Gol den Gam es eve nt hel d on the 28 Aug ust 202 4	Ac hi ev ed	N/A	N/A	R 2 6 4 8 0 0	R0	R1 95 615 ,00	In te m al	Clo se out rep ort , tea m list, atte nda nce regi ster , Req uisit ion and pay me nt vou che r	N/ A	All LM s	Soc ial Ser vic es	Tar get rev ise d dur ing mi d-ter m (Q 4 tar get re mo ve d due to Bu dget co nst rai nts)
				C o m 2 1 (a)			2.3.1 .2 Disa bility Gam es	N/ A	Nu mb er of Disa bility Gam es eve nt con duc ted and pro	N/A	Nu mb er	1	1	0	1x Disa bility Gam es even t and pro curem ent of equi pme nt & prom otion	1x Disa bility Gam es even t and pro curem ent of equi pme nt & prom otion	1x Disa bility Gam es eve nt con duc ted and pro cur em ent	N/A	1x Disa bility Gam es eve nt con duc ted on the 8th - 10t	Ac hi ev ed	N/A	N/A	R 5 0 1 1 6 5	R0	R1 13 346 ,88	In te m al	Tea m list / Atte nda nce regi ster , Rep ort, Req uisit ion and pay	N/ A	All LM s	Soc ial Ser vic es	Tar get rev ise d dur ing mi d-ter m (Q 4 tar get re

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Arts and Culture	Human & Community Development	Local Economic Development and Social Development	Pillar 1 : Public participation programs	Com 22	2.5 To promote Arts and Culture for advancement of social cohesion and moral regeneration	2.5.1 Partner with sector departments and other stakeholders on Arts and Culture programmes and support and	2.5.1.1 Umkhosi womhlanga programme		Number attended to uMkhosi womhlanga by maidens from 7 LMs of the District		Number	1	0	1	1 x attendance to uMkhosi womhlanga by maidens from 7 LMs of the District by August 2023	1 x attendance to uMkhosi womhlanga by maidens from 7 LMs of the District by August 2023	1 x attended to uMkhosi womhlanga by maidens from 7 LMs of the District by 30 September 2024	N/A	1 x attended to uMkhosi womhlanga by maidens from 7 LMs of the District by 30 September 2024	Achieved	N/A	N/A	R402000	R402000	R365000	Internal	Attendance registers, Report	N/A	All LMs	Social Services	No changes on the targets done during Mid term review
				Com 22 (a)		promote arts and cultural activities for moral regeneration of the district community	2.5.1.2 Awards and Achievements for Artists		Number of Awards and Achievements for Artists		Number	1	0	1	1X Awards and Achievements for Artists by December 2023	1X Awards and Achievements for Artists by December 2023	1X Awards and Achievements for Artists by 31 December 2024	N/A	1X Awards and Achievements for Artists by 31 December 2024	Achieved	N/A	N/A	R1000000	R1000000	R169029	Internal	Attendance Register and Report	N/A	All LMs	Social Services	No changes on the targets done during Mid term review

				C o m 2 2 (b)		mun ity	2.5.1 .3 Arts and Cultu re Festi vals		Nu mb er of Arts and Cult ure Festi vals con duc ted		Nu mb er	1	1	0	N/A	N/A	2x Arts and Cult ure Festi vals con duc ted by 30 Jun e 202 5	N/A	2x Arts and Cult ure Festi vals con duc ted by 31 Dec em ber 202 4	Ac hi ev ed	N/A	N/A	R 4 0 0 0 0	R3 00 00 0		In te m al	Atte nda nce Regi ster and Rep ort	N/ A	All LM s	Soc ial Ser vic es	No ch an ge s on the tar get s do ne dur ing Mid ter m rev iew
			YOUTH																												
Youth	Human and Community Development	Local Economic Development and Social Development	Pill ar 1 : Pu blic part icip ation pro gra ms	C o m 2 3	2.6 To har nes s the pote ntial of you ng peo ple to ena ble the m to play a mea ning full role	2.6. 1 Cap acit ate you ng entr epre neur thro ugh inno vat ive wor ksh ops and Dev elop men t of fund	2.6.1 .1 Train ing for Yout h empow erment	N/ A	Nu mb er of Trai nin gs / Wor ksh ops con duc ted for you th with in the distr ict	N/A	Nu mb er	7 LM s	0	7 LM s	4 traini ngs / work shop s con duc ted by 30 June 2024	4 traini ngs / work shop s con duc ted by 30 June 2024	4 Trai nin gs / Wor ksh ops con duc ted for you th with in the distr ict by 30 Jun e 202 5	N/A	6 Wor ksh ops con duc ted for you th with in the distr ict by 30 Jun e 202 5	Ac hi ev ed and Ex ce ed ed	Addi tional prog ram me con duct ed in resp onse to dem and	N/A	R 1 4 3 3 1 5 8	R1 43 3 15 8	R4 21 505	In te m al	Atte nda nce regi ster , trai nin g pro gra ms and rep ort	N/ A	All LM s	Soc ial Ser vic es	No ch an ge s on the tar get s do ne dur ing Mid ter m rev iew

				C o m 2 4	in the society	ing agency for youth businesses	2.6.1 .2 Youth Summit (Youth Month Celebration)	N/A	Number of Youth Summits hosted	N/A	Number	7 LM s	1 LM	6 LM s	1 Youth Dialogue hosted by 30 June 2024	1 Youth Summit hosted by 30 June 2024	1 Youth Summit hosted by 30 June 2025	N/A	1 Youth Summit - uM DM 2025 Youth Indaba hosted on the 26 June 2025	Ac hi ev ed	Non e	Non e			R4 786 66. 80	Internal	Program and attendance register for the Youth Summit and report with pictures	N/A	All LM s	Social Services	No changes on the targets done during Mid term review
				C o m 2 5			2.6.1 .3 Youth economic empowerment	N/A	Number of cooperatives supported	N/A	Number	7 LM cooperatives	0 LM cooperatives	7 LM cooperatives	3 x cooperatives supported by 31 March 2024	6 x cooperatives supported by 31 March 2024	2 cooperatives supported by 31 December 2024	N/A	1 x cooperatives supported on the 19 December 2024	Pa rti ally ac hi ev ed	Cooperatives identified in the targeted area did not meet the necessary requirements	To further identify qualifying cooperatives in other areas for support in 25/ 26 F/Y in			R7 7 197 .20	Internal	Report and Payments Vouchers	N/A	All LM s	Social Services	No changes on the targets done during Mid term review

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SOCIAL DEVELOPMENT																													
Social Services (NGOs, CBO, FBO, Amakhosi)			Human and Community Development			Local Economic Development and Social Development																							
	Pillar 1 : Public participation programmes	Com 27	2.8 To enhance participation of community structures in governance for strengthening social programmes	2.8.1 Collaboration with community structures on matters of moral regeneration	2.8.1.1 Local Municipalities Faith Based Organisations supported for societal development on moral regeneration	N/A	Number of programmes done with FBOs for societal development and moral regeneration	N/A	Number	7 LMs	0 LMs	7 LMs	7 LMs FBO's supported on societal development and moral regeneration by 30 June 2024	7 LMs FBO's supported on societal development and moral regeneration by 30 June 2024	8 x programmes done with FBOs for societal development and moral regeneration by 30 June 2025	6 x programmes done with FBOs for societal development and moral regeneration by 30 June 2025	7 x programmes done with FBOs for societal development and moral regeneration by 30 June 2025	Achieved and Exceeded	Whilst the target was adjusted during budget adjustments, the additional program was continued due to project commitments that had already been made by UMD partners	N/A	R1378255	R137825,00	R430186,25	Internal	Attendance registers and report	N/A	All LMs	Social Services	Target revised during mid-term

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				C o m 4 6	2.11 Ena blin g right s of chil dre n	2.11 .1 Atte nda nce of chil dren 's parli ame nt	211. 1.1 Parli arme nt for child ren	N/ A	Nu mb er of ses sion s atte nde d by chil dre n in parli arm ent	N/A	Nu mb er	1	0	1	N/A	N/A	1 ses sion atte nde d by chil dre n in parli arm ent by 31 Dec em ber 202 4	N/A	0x ses sion atte nde d by chil dre n in parli arm ent by 31 Dec em ber 202 4	No t Ac hi ev ed	Parti cipa tion in the prog ram me is per invit atio n from the Offic e of the Pre mier . Ther e activ ity did not take plac e this year .	Nil	R 2 0 0 0 0	R0, 00	R0	In te m al	Atte nda nce regi ster s and rep ort	N/ A	All LM s	Soc ial Ser vic es	No ch an ge s on the tar get s do ne dur ing Mi d ter m rev iew
				C o m 4 7	2.12 Ena blin g right s of disa bled pers ons	2.12 .1 Atte nda nce of disa bility parli ame nt by disa bility	2.12. 1.1 Disa bility Parli ame nt	N/ A	Nu mb er of Atte nda nce by disa bled per son in thei	N/A	Nu mb er	1	0	1	N/A	N/A	1 x Atte nda nce by disa bled per son in thei r parli arm	N/A	1 x Atte nda nce by disa bled per son in thei r parli arm	Ac hi ev ed	N/A	N/A	R 1 0 5 0 0 0	R0, 00	R0	In te m al	Atte nda nce regi ster s and rep ort	N/ A	All LM s	Soc ial Ser vic es	No ch an ge s on the tar get s do ne dur ing Mi

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					lifes tyle	or Citiz ens		ri ct Sen ior Citi zen s							Citi zen s by 30 Sep tem ber 202 4		Citi zen s on the 17t h Sep tem ber 202 4												ter m rev iew		
				C o m 4 9	2.14 Enh anc e legi slati ve right s of Sen ior Citiz ens	2.14 .1 Impl eme nt a prog ram me for reco gniti on and sup port to Dist rict Seni or Citiz ens who hav e attai ned age 100 and abo ve	2.14. 1.1 Cent eneri an proje ct	N/ A	Nu mb er of Cen ten eria n proj ects impl em ent ed for distr ict Sen ior Citi zen s	N/A	Nu mb er	1	1	0	N/A	N/A	1 x Cen ten eria n proj ect impl em ent ed for Dist rict Sen ior Citi zen s by 31 Mar ch 202 5	N/A	1 x Cen ten eria n proj ect impl em ent ed for Dist rict Sen ior Citi zen s by 31 Mar ch 202 5	Ac hi ev ed	N/A	N/A	R 5 0 0 0 0		R8 5 675	In te rn al	Rep ort, atte nda nce regi ster	N/ A	All LM s	Soc ial Ser vic es	No ch an ge s on the tar get s do ne dur ing Mi d ter m rev iew
Disaster Management																															

Disaster Management				Pillar 3: Good Governance – Compliance with legislation and by-laws	Com 42	6.4 To reduce the probability of disaster occurrences and ensure effective and appropriate disaster response and recovery	6.4.1 Establish the disaster management centre, promote disaster awareness and take effective action during disasters	6.4.1.1 Installation of the Call Centre Management Software	N/A	Number of Call Centre Management Software installed	N/A	Number	1 x Call Centre Management Software	0	1 x Call Centre Management Software	N/A	N/A	1 Call Centre Management Software installed by 30 June 2025	N/A	Target removed during Mid Term	N/A	N/A	N/A	N/A	R 40000,000	N/A	N/A	Internal	Advise Appointment Purchase order	N/A	All LM's	Disaster Management	Project removed due to budget constraints

					C o m 3 0	6.5 To reduce the probability of disaster occurrences and ensure effective and appropriate disaster responses and recovery	6.5.1 Establish the disaster management center, promote disaster awareness and take effective action during disasters	6.5.1.1 Implementation of pre-construction activities for the construction of the District Disaster Management Centre.	N/A	Percentage of Project pre-construction activities completed	N/A	Percentage	District Disaster Management Centre	0	District Disaster Management Centre	Project pre-construction activities completed: land survey done, building and parking designs completed, application for water and electricity connection finalized, shelter for security guards provided, shipping	Project pre-construction activities not completed: land survey done, building and parking designs completed, application for water connection finalized and electricity connection not finalized, shelter for security	100% Project pre-construction activities completed by 30 June 2025.	N/A	Target removed during Mid Term 50% Project pre-construction activities completed by 30 June 2025. Quotations have been received with high level estimate	N/A	N/A	N/A	R 2 5 0 0 0 0, 0 0	N/A	R6 9 428 .44	Interim	Copy of letter to Cogta as well as the acknowledgment - ment letter from Cogta Copy of quotations received from the Quantity Surveyor (high level estimates) Copy of	N/A	All LMs	Disaster Management Services	Project removed due to budget constraints

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					pon se Equ ipm ent to com mun ities	com mun ities	vehic le		res pon se vehi cles leas ed			se veh icle s			30 June 2024	exte nded by 30 June 2024	vehi cles leas ed by 30 Sep tem ber 202 4	vehi cles leas ed by 30 Jun e 202 5	pon se vehi cles leas ed by 30 Jun e 202 5													

DEPARTMENT: ECONOMIC DEVELOPMENT AND PLANNING																															
IDP PRIORITY: ACHIEVE ECONOMIC TRANSFORMATION AND JOB CREATION																															
F u n c t i o n	K Z N P G D S G o a l s	N a t i o n a l K P A R e f	B 2 B P i l l a r	S D B I P R e f	S t r a t e g i c O b j e c t i v e	S t r a t e g i e s	P r o j e c t N a m e	R e v i s e d P r o j e c t N a m e	A n n u a l K e y P e r f o r m a n c e I n d i c a t o r / O u t p u t (2024 /2025)	R e v i s e d A n n u a l K e y P e r f o r m a n c e I n d i c a t o r / O u t p u t (2024/ 2025)	P e r f o r m a n c e M e a s u r e / u n i t o f m e a s u r e	D e m a n d	B a s e l i n e	B a c k l o g	P r e c e e d i n g Y e a r P e r f o r m a n c e		A n n u a l T a r g e t (2024 /2025)	R e v i s e d A n n u a l T a r g e t (2024/ 2025)	2024 /2025 F i n Y e a r A c t u a l p e r f o r m a n c e	S t a t u s	R e a s o n s f o r V a r i a n c e	P l a n n e d I m p r o v e m e n t	A n n u a l B u d g e t	A d j u s t m e n t B u d g e t (F e b)	E x p e n d i t u r e	B u d g e t S o u r c e	P O E	R e v i s e d P O E	W a r d / M u n i c i p a l i t y	R e s p o n s i b l e U n i t	S t a t u s
															2023 - 2024 A n n u a l T a r g e t	2023 - 2024 A c t u a l															
LED & TOURISM	Job Creation	Local Economic Development	Providing services according to the principles of Batho Pele	EDP 7	2.15 Exp and government - led job creation programmes	2.1 5.1 Identify and develop labour intensive job creation programmes and	2.15. 1.1 LED Forum	N/A	Number of LED Forum meetings facilitated	N/A	Number	4	4	0	4 x quarterly reports to EDP committee of the outcomes and deliberations of the LED forum by 30 June 2024	2 x quarterly report to EDP committee of the outcomes and deliberations of the LED forum by 30 June 2024	4 LED Forum meetings facilitated by 30 June 2025	N/A	3 LED Forum meetings facilitated by 30 June 2025	Partially Achieved	The meeting for 1st quarter did not seat as it did not quorate	LED Forum meetings have been planned for 2025-2026 Fin Year	N/A	N/A	N/A	N/A	Attendance Registers and Agenda	N/A	UMDM	LED	Changes on the target schedule

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				EDP 9	2.16 Enhance sectoral development through trade and investment	2.16.1 Develop, diversify and market tourism to increase domestic and foreign visitors.	2.16.1.1 Tourism Forum	N/A	Number of Tourism Forum meetings facilitated	N/A	Number	4	4	0	4 x quarterly reports to EDP committee of the outcomes and deliberations of the Tourism forum by 30 June 2024	3 x quarterly report to EDP committee of the outcomes and deliberations of the Tourism forum was tabled before the committee. Tourism Forum conducted on the 26 September 2023.	4 Tourism Forum meetings facilitated by 30 June 2025	N/A	4 Tourism Forum meetings facilitated by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Attendance Registers and Agenda	N/A	UMDM	LED	No changes on the targets done during Mid term review
				EDP 12			2.16.1.2 Tourism Strategy Council	N/A	Date Adopted Tourism Strategy Full	N/A	Date	1	1	0	Inception report on the Tourism Strat	Development of the inception report on	Date Adopted Tourism Strategy by	N/A	Adoption of the Tourism Strategy	Achieved	N/A	N/A	R0	N/A	N/A	Internal	Council Resolution	N/A	ALL LMs	LED	No changes o

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EPWP																										
Job Creation																										
Local Economic Development																										
Pillar 2: Delivering Basic Services – Community Works Program (& EPWP)	EDP 15	2.18 Integration of service delivery and job creation, eradicate poverty and improve quality of life for all people within uMgungundlovu District.	2.18.1.1 Job creation through EPWP initiatives	N/A	Number of Job opportunities created through EPWP initiatives	N/A	Number	35	112	0	65x Job opportunities created through EPWP initiatives by 30 September 2023	112 Job opportunities were created through EPWP initiatives by 30 September 2023	35x Job opportunities created through EPWP initiatives by 30 September 2024	N/A	65x Job opportunities created through EPWP initiatives by 30 September 2024	Achieved and Exceeded	More work opportunities were created because we had additional funding from the Social Services Business Unit.	N/A	R188900,00	R188900,00	National Department of Public Works	Contracts	N/A	UMDM	EPWP	No changes on the
	EDP 16		2.18.1.2 Expanded Public Works Programme	N/A	Percentage expenditure spent on the EPWP annual	N/A	Percentage	100%	89%	0%	100% Expenditure of the EPWP annual grant by 30	100% Expenditure of the EPWP annual grant by 30	100% Expenditure of the EPWP annual grant by 30	N/A	100% Expenditure of the annual grant by 30	Achieved	N/A	N/A	Monthly Proof of payments	N/A						

							Job Crea tion using Ince ntive Gran t		al grant						June 2024	June 2024	June 2025		June 2025													ta rg et s d o n e d u r i n g M i d t e r m r e v i e w
PLANNING	S p a t i a l E q u i t y	Cro ssi ng cutt ing inte rve ntio ns	Pill ar 3: Go od Go ver na nce	E D P 1	6.1 To ensu re sust aina ble and coord inat ed deve lopm ent thro ugh out the UM DM	6.1. 1 To sup port muni cipal ities in the impl em ent atio n of SPL UM A and Faci litat e inte grat ed spat	6.1.1 Oper ation al joint muni cipal plan ning tribu nal	N/ A	Num ber of Meet ings of Oper ation al (JMP T) Joint Muni cipal Plann ing Tribu nal Com mitte e as per Spati al Plann ing Land Use	N/A	Nu mb er	8* J M P T m e e t i n g s t o b e h e l d	8	0	8 x Meet ings of Oper ation al (JMP T) Joint Muni cipal Plann ing Tribu nal Com mitte e as per Spati al Plann ing Land Use Mana	11 x Meet ings of Oper ation al (JMP T) Joint Muni cipal Plann ing Tribu nal Com mitte e as per Spati al Plann ing Land Use Mana	8 x Meet ings of Oper ation al (JMP T) Joint Muni cipal Plann ing Tribu nal Com mitte e as per Spati al Plann ing Land Use Mana	N/ A	13 x Meet ings of Oper ation al (JMP T) Joint Muni cipal Plann ing Tribu nal Com mitte e as per Spati al Plan ning Land Use Man	Ac hi ev ed and Ex ce ed ed	Th ere wer e ma ny dev elo pm ent app lica tion s rec eiv ed fro m Loc al mu nici pali ties	N/A	R 3 1 4 7 0 0	R3 14 70 0	R9 9 02 9	Int ern al	Att end anc e Re gist ers, and /or res olut ion s of the JM PT	N/ A	uM nge ni Imp end le Mp ofa na Ric hm ond Mk ha mb athi ni uM shw athi	De vel op ment Pla nni ng	N o ch a n g es o n th e ta rg et s d o n e d u r i n g M i d t e r	

						ial plan ing and land use ma nag em ent			Mana geme nt Act							geme nt Act by 30 June 2024	geme nt Act by 30 June 2024	geme nt Act by 30 June 2025			age ment Act by 30 June 2025											m re vi e w
GIS	S p a t i a l E q u i t y	Cro ssi ng cutt ing inte rve ntio ns	Pill ar 3: Go od Go ver na nce	E D P 3	6.2 Spat ial Infor mati on Main tena nce, Inte grati on & Busi ness Unit s User Sup port	6.2. 1 To res pon d to effe ctiv e and effic ient dec ision sup port (Fa cilit ate Inte grat ed Land Ma nag em ent & Spat ial Plan nin g) across all	6.2.1 .1 GIS Shar ed Servi ces Supp ort	N/ A	Num ber of Mont hly report s on GIS Shar ed Servi ces Supp ort subm itted to EDP Com mitte e	N/A	Nu m b e r	12	12	0	10x Mont hly report s on GIS Shar ed Servi ces Supp ort subm itted to EDP Com mitte e by 30 June 2024	7x Mont hly report s on GIS Shar ed Servi ces Supp ort subm itted to EDP Com mitte e by 30 June 2024	12x Mont hly report s on GIS Shar ed Servi ces Supp ort subm itted to EDP Com mitte e by 30 June 2025	N/ A	8x Mont hly report s on GIS Shar ed Servi ces Supp ort subm itted to EDP Com mitte e by 30 June 2025	Pa rti all y Ac hi ev ed	No rep orts call ed for No ve m ber and De ce m ber 202 4 and no Re por ting Su bmi t ted for Ma y An d Jun e.	No pla nne d imp rov em ent	N /A	N/ A	N/ A	N/ A	N/ A	Mon thly rep orts	N/ A	uM nge ni Imp end le Mp ofa na Ric hm ond Mk ha mb athi ni uM shw athi	De vel op me nt Pla nnin g	N o ch a n g e s o n th e ta rg et s d o n e d ur in g Mi d te r m re vi e w

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DEPARTMENT: CORPORATE SERVICES																																	
IDP PRIORITY: EDUCATION, SKILLS AND HEALTH																																	
Funct ion	KZNP GDS Goals	Natio nal KPA	B2B Pillar	SDBIP Ref	Strategic Objective	Strategie s	Project Name	Revised Project Name	Annual Key Performance Indicator / Output (2024 /2025)	Revised Annual Key Performance Indicator / Output (2024/ 2025)	KPI/ Unit of Measure	Demand	Baseline	Backlog	Preceeding Year Performance		Annual Target (2024 /2025)	Revised Annual Target (2024/ 2025)	2024/ 2025 Financial Year Actual performance	Status	Reasons for Variance	Planned Improvement	Annual Budget	Adjusted Budget (Feb)	Expenditure	Budget Source	POE	Revised POE	Ward / Municipality	Responsible Unit	Status		
															2023 - 2024 Annual Target	2023 - 2024 Actual																	
HUMAN RESOURCES MANAGEMENT						Pillar 5: Building Capacity – Filling of Senior M	Corporat	3.1 Ensure provision of Human Capital in line with	3.1.1 To develop and implement plans and pro	3.1.1.1 Organogram Review	N/A	Date Approved and Adopted Municipal Organogram	N/A	Date of Adoption	Reviewed and adopted organogram by 30 June 2025	Reviewed and adopted organogram on 30 May 2024	N/A	Approval and Adoption of Municipal Organogram by 30 June 2024	Approval and Adoption of Municipal Organogram not done by 30 June 2024	Approved and Adopted Municipal Organogram by 30 June 2025	N/A	Municipal Organogram approved and adopted on 27 March 2025	Achieved	N/A	N/A	N/A	N/A	N/A	Resolution by Full Council	N/A	UDDM	Human Resources	No changes on the targets done during Mi

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				C o r p 8	d d o w n H R l e g i s l a t i o n s w i t h a n a i m o f a c h i e v i n g M u n i c i p a l o b j e c t i v e s	3.7. 1.2 E f f e c t i v e H e a l t h a n d S a f e t y C o m m i t t e e	N/ A	Nu m b e r o f H e a l t h a n d s a f e t y m e e t i n g s h e l d	N/ A	N u m b e r	Com p l i a n c e w i t h S e c t i o n 1 7 a n d 1 9 o f O H S A c t	4x Q u a r t e r l y m e e t i n g s o f H e a l t h a n d S a f e t y c o m m i t t e e a s p e r t h e A c t	0	4x H e a l t h a n d s a f e t y m e e t i n g s h e l d b y 3 0 J u n e 2 0 2 4	4x H e a l t h a n d S a f e t y C o m m i t t e e M e e t i n g h e l d b y 3 0 J u n e 2 0 2 4	4x H e a l t h a n d s a f e t y m e e t i n g s h e l d b y 3 0 J u n e 2 0 2 5	N/ A	4x H e a l t h a n d S a f e t y C o m m i t t e e M e e t i n g h e l d o n 1 8 S e p t e m b e r 2 0 2 4 , 4 D e c e m b e r 2 0 2 4 , 2 7 M a r c h 2 0 2 5 a n d 2 5 J u n e 2 0 2 5	A c h i e v e d	N/ A	N/ A	N / A	N/ A	N/ A	N / A	Q u a r t e r l y M e e t i n g A g e n d a s , M i n u t e s , M o n t h l y R i s k A s s e s s m e n t R e p o r t s a n d A t t e n d a n c e R e g i s t e r s	N/ A	U M D M	H u m a n R e s o u r c e s	N o c h a n g e s o n t h e t a r g e t s d o n e d u r i n g M i d t e r m r e v i e w

					C o r p 9			3.7. 1.3 Pro vi sion of Per son al Pro tec tive Clo thing /Eq ui p men t	N/ A	Distri bute d Pers onal Pro tec tive Clo thing /Eq ui p men t as speci fied by User Depa rtme nts	N/ A	N u m b e r	Provi sion of Pers onal Pro tec tive Clo thing /Eq ui p men t annu ally as per user depa rtme nt speci ficati on	Annu al provi sion of Pers onal Pro tec tive Clo thing /Eq ui p men t as per User Depa rtme nt Speci ficati on	0	Distri bution of Pers onal Pro tec tive Clo thing /Eq ui p men t as speci fied by User Depa rtme nts by 31 March 2024	Distri bution of Pers onal Pro tec tive Clo thing /Eq ui p men t as speci fied by User Depa rtme nts by 31 March 2024	Distri bute d Pers onal Pro tec tive Clo thing /Eq ui p men t as speci fied by User Depa rtme nts by 31 March 2025	N/ A	Distri bute d Pers onal Pro tec tive Clo thing /Eq ui p men t as speci fied by User Depa rtme nts done for WSA emp loyee s by 31 March 2025	P a r t i a l l y A c h i v e d	Te nd er for Fire Se rvice PP E Can cell ed. The ser vice pro vide r was ap poi nte d; ho we ver due to an obj ect ion	Re - ad ver tis em ent is pe nd ing the fin ali zati on of the obj ect ion .	R 4 4 5 0 0 0 0 0 0 0	R 4 4 5 0 0 0 0 0 0	R 2 09 7 89 2, 00	I n t e r n a l	Q2: Re quisi tion, List of Re quire d Qu anti ties and Siz es Q3: Un if orm Issu e Re giste r, Inv oice s & Pur chase Ord er	Q 4: Un if orm Issu e Re giste r, In voic es & Pur chase Or der	U M D M	Hu man Re sour ces	Ta rg et re vis ed dur ing mi d- ter m

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ADMINISTRATION AND SOUND GOVERNANCE																												
Governance & Policy																												
Municipal Transformation and Development																												
Pillar 3: Good Governance – Council meetings	Corp 15	3.9 To ensure auxiliary support to department and improve sound governance	3.9.1 Development and ensuring compliance with calendar of meetings	3.9.1.1 Provision of Secretariat Support to Section 79/80 committees	N/A	Percentage Sitting of Section 79/80 committees as per the Calendar of Meetings	N/A	Percentage	Provision of Secretariat Support to Section 79/80 committees	Provision of Secretariat Support to Section 79/80 committees	0	100% Provision of Secretariat Support to Section 79/80 committees as per Calendar of meetings by 30 June 2024	100% Secretariat Support provided to Section 79/80 committees as per Calendar of meetings by 30 June 2024	100% Sitting of Section 79/80 committees as per the Calendar of Meetings by 30 June 2025	N/A	100% of Section 79/80 committees as per the Calendar of Meetings	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Calendar of Meetings; Agenda, Minutes, Resolution Matrix	Calendar of Meetings; Agenda, Attendance Register, Resolution Matrix	U M D M	Administration & Sound Governance	P O E revised during mid-term
Pillar 3: Good Governance	Corp 16	3.10 Cost and effectiveness	3.10.1 Fleet Provision of fleet	3.10.1.1 Fleet Management	N/A	Percentage Provision of effective fleet	N/A	Percentage	Provision of effective Fleet management	Provision of effective Fleet management	0	100% Provision of effective fleet management	100% effective fleet management	100% Provision of effective fleet management	N/A	100% effective fleet management	Achieved	Budgeted amount was		R 23012671	R 23012671,	R 24208,17	Monthly Reports, Invoices	N/A	U M D M	Administration & Sound	No changes on the tar	

				ce – Com pli an ce wit h leg isl ati on an d by - la ws		fle et Ma na ge me nt an d pro visi on to all us er de par tm ent s	to us er de par tm ent s an d en sur ing com pli an ce wit h fle et ma na ge me nt pol icy			man age ment for servi ce Deliv ery			for servi ce deliv ery	for servi ce deliv ery		age ment for servi ce Deliv ery by 30 June 2024	ded for servi ce Deliv ery by 30 June 2024	age ment for servi ce Deliv ery by 30 June 2025		sione d for servi ce Deliv ery		lo we r tha n re qui re d. Vir em ent s we re ma de to ac com mo date the pay ment of the inv oic es.		, 0 0	0 0							d Go ver na nce	ge ts do ne dur ing Mi d ter m re vie w
				C o r p 1 6 (b)		3.1 0.2 Pro visi on of fle et	3.10 .2.1 Pro visi on of TLB & Wat	N/ A	Num ber of proc ured vehic les (TLB &	N/ A	N u m be r	Provi sion of effect ive Fleet man age ment	Provi sion of effect ive Fleet man age ment	No ne	N/A	N/A	Proc ured vehic les 1x TLB and 1x Wate	N/ A	Proc ured vehic les 2x TLB and 0x Wate	P ar ti all y A c hi e	Se nio r Ma na ge me nt de	No pla nn ed im pro vem ent	R 3 0 0 0 0 0	R 3 0 0 0 0 0	R 2 73 8 46 5, 10	I n t er na l	Qtr 1 - Ten der Award Lett er Qtr.	N/ A	U M D M	Ad mi nis tra tio n & So un	No ch an ge s on the tar		

						to us er de par tm ent s for eff ect ive ser vic e del ive ry	er Tan ker		Wate r Tank er)			for servi ce deliv ery	for servi ce deliv ery				r Tank er by 30 June 2025		r Tank er by 30 June 2025	v e d	cid ed to for go pu rch asi ng a W ate r Ta nk er due to bu dg et co nst rai nts and opt ed to pu rch as e tw o TL Bs ins tea d.	due to bu dg et co nst rai nts	0 0	0 0			2 - Deli ver y Not e, Pur cha se Ord er			d Go ver na nc e	ge ts do ne du rin g Mi d ter m re vie w

				C o r p 1 7	3.1 1 Eff ect ive ma int en an ce of mu nici pal bui ldi ngs in line wit h the Oc cu pat ion al He alt h an d Saf ety Act	3.1 1.1 De vel op me nt an d im ple me nta tio n of bui ldi ng ma int en an ce pol icy an d bui ldi ng ma int en an ce pla n.	3.11 .1.1 Mai nten anc e of Mun icip al Buil ding s	N/ A	Perc enta ge Maint enan ce of muni cipal bui ldi ngs as per the Maint enan ce Plan/ Emer genc y/Ro utine Maint enan ce	N/ A	P er ce nt ag e	Time ous Maint enan ce of muni cipal bui ldi ngs as per the Maint enan ce Plan/ Emer genc y/Ro utine Maint enan ce	Maint enan ce of muni cipal bui ldi ngs as per the Maint enan ce Plan/ Emer genc y/Ro utine Maint enan ce	De ter ior ati ng Bu ildi ng s	100 % of the Maint enan ce of muni cipal bui ldi ngs as per the Maint enan ce Plan/ Emer genc y/Ro utine Maint enan ce by 30 June 2024	100 % of the muni cipal bui ldi ngs maint ained as per the Maint enan ce Plan/ Emer genc y/Ro utine Maint enan ce by 30 June 2024	100 % of the Maint enan ce of muni cipal bui ldi ngs as per the Maint enan ce Plan/ Emer genc y/Ro utine Maint enan ce by 30 June 2025	N/ A	100 % of muni cipal bui ldi ngs as per the Maint enan ce Plan/ Emer genc y/Ro utine Maint enan ce	A c h i e v e d	N/ A	N/ A	R 1 2 0 0 0 0 0 0 0 0	R 1 2 0 0 0 0 0 0 0	R 56 5 38 5, 00	I n t e r n a l	Mo nthl y Rep orts , Req uisit ions and Mai nten an ce Pla n	N/ A	U M D M	Ad mi nis tra tio n & So und Go ver na nc e	No ch an ge s on th e tar ge ts do ne du rin g Mi d ter m re vie w

					C o r p 1 8	3.1 3 Eff ective Re cords Ma na ge ment in line wit h Nat ion al Arch iv es Act	3.1 3.1 Com pli ance and im ple men ta tion of rec ord s ma na ge ment pol icy	3.13 .1.1 Sou nd reco rds man age ment and Com pli ance with the Nat ion al Arch iv es Act	N/ A	% of comp liance with the Nat ion al Arch iv es Act	N/ A	P er ce nt age	100 % of comp liance with the Nat ion al Arch iv es Act	100 % of comp liance with the Nat ion al Arch iv es Act	No ne	100 % Provi sion of Reco rds Man age ment by 30 June 2024	100 % Provi sion of Reco rds Man age ment by 30 June 2024	100 % Com pli ance with the Reco rds Man age ment Act by 30 June 2025	N/ A	100 % of comp liance with the Reco rds Man age ment Act	A c hi e v e d	N/ A	N/ A	N / A	N/ A	N / A	Sch edule of ope ned files , Sch edule of invo ices cap ture d	N/ A	U M D M	Ad mi nis tra tion & So und Go ver nance	No chan ges on the tar gets done dur ing Mid term re view
INFORMATION & COMMUNICATION	Strategic Infrastructure	Municipal Transformation and Development	Pillar 5: Building Capacity – Establish, Re	C o r p 1 9	3.1 4 En sur e Stable , Se cur e and Rel iabl	3.1 4.1 Prom ote a Cy ber vigi lan t and res ilie	3.14 .1.1 Con duct QT RLY Cyb er Sec urity Awa ren ess Pro gra	N/ A	Num ber of Cybe r Secu rity Awa ren ess Cam paign s conducted	N/ A	N u m be r	4	2	4	N/A	N/A	4x Cybe r Secu rity Awa ren ess Cam paign s conducted by 30	N/ A	4x Cybe r Secu rity Awa ren ess Cam paign held on 30 June 2025	A c hi e v e d	N/ A	N/ A	R 7 8 0 0 0 . 0 0	R 2 5 0 7 0, 0 0	R 27 71 5, 00	I n t e r n a l	QT R1 - Awa ren ess Atta ndance Reg iste r QT R2	N/ A	U M D M	IC T	No chan ges on the tar gets done dur ing

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				C o r p 2 0	3.1 5 En sur e Sta ble , Se cur e and Rel iabl e Pro visi on of Inf or ma tio n & Co m mu nic ati on Te ch nol og y Ser vic es	3.1 5.1 En hanc e opera tio nal effi cie ncies throu gh Tech nol ogy	3.15 .1.1 Upgr ade or HR and Pay roll Syst ems	N/ A	Num ber of upgr aded HR and Payr oll Syst em	N/ A	N u m b e r	1	None	1	N/A	N/A	1x Upgr aded HR and Payr oll Syst em by June 2025	N/ A	Targ et remo ved durin g mid term.	N/ A	N/ A	N/ A	R 1 2 0 0 0 0 0 0 0 0	In te rn al	R 0, 00	I n t e r n a l	Qtr 1 - Pur chase Order for Project Imple ment ation Qtr. 2 - System Deploy ment Not es Qtr. 3 - Use rs enrol led to Em ploy ee Self Service (ES S) Qtr 4 -	Q T R 3: Draft Drone Strate gy Q T R 4: Resol ution for adop ted Drone Strate gy	U M D M	IC T	Ta rg et remo ved due to un suc ces sful SC M proc esses

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						ogy		aster man ag e m e n t		e a n d d i s a s t e r m a n a g e m e n t								as ter m a n a g e m e n t b y J u n e 2 0 2 5				rs i n R i c h m o n d w h e r e t h e f i r s t M u n i c i p a l O p e r a t i o n h a d t o b e c a r r i e d o u t . F u r t h e r I n p u t s t o D r a f t D r o n e s t r a t e	l e t e d b y 3 0 J u l y 2 0 2 5							o l u t i o n f o r a d o p t e d D r o n e S t r a t e g y				

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DEPARTMENT: BUDGET AND TREASURY UNIT																																
IDP PRIORITY: ACHIEVE CLEAN AUDIT OPINION																																
Funct ion	K Z N P G D S G o a l s	N at ion al K P A	B2 B Pill ar	S D B I P R e f	Strate gic Objec tive	Strat egie s	Proj ect Na me	R ev is ed Proj ect Na me	Ann ual Key Perf orm anc e Indi cat or / Out put (202 4/20 25)	Re vis ed Ann ual Key Per for mance Indi cat or / Out put (20 24/ 202 5)	KPI/ Unit of Mea sur e	De m and	B as eline	B ac kl og	Preceeding Year Performanc e		Ann ual Tar get (202 4/20 25)	Re vis ed Ann ual Tar get (20 23/ 20 24)	202 4/20 25 Fin Yea r Act ual perf orm anc e	St at us	Rea son s for Vari anc e	Pla nne d Imp rove ment	A n n u al B u d g et	Ad jus tment Bu dget (Feb)	Ex pe ndit ur e	B u d g et S o ur c e	POE	R ev is ed P O E	Ward / Mu nicip ality	Re sp on sible Unit	St at u s	
															202 3 - 202 4 Ann ual Tar get	202 3 - 202 4 Act ual																
Finan cial Mana gement/Bu dget	Governance & Policy		Municipal Financial Viability and Management		Pillar 4: Sound Financial Management – Realistic and cash backed budget.	FIN 01	4.1 To ensure effective financial reporting by providing direction and leadership within the Financial Services Department	4.1.1 To ensure that the finance function is capacitated with all key positions filled and ensure the	4.1.1.1 mS COA Management	N/A	Number of quarterly meetings held for MS COA Steering Committee and number of wor	N/A	4	1	4	Establis hment of the MS COA Ste ering Co mmittee and 1 wor ksh op con duct ed by 30	Establis hment of the MS COA Ste ering Co mmittee was don e and wor ksh op con duct	4 Quar terly mee ting s held for MS COA Ste ering Co mmittee and 1 wor ksh op con	N/A	2 Quar terly mee ting s held for MS COA Ste ering Co mmittee and 1 wor ksh op con	Parti ally Ach ieved	prioritisation of AFS submission and Auditor - General Commitments	Indi cat or not con tinuing in the 24-25 F/Y. Pla nne d imp rove ment not app lica ble	N/A	N/A	N/A	N/A	Agenda and Registers	N/A	All	Budget & Reporting	No changes on the target set during Mi

					deve lopm ent and impl eme ntati on of Stan dard Oper ating Proc edur es			ksh ops con duct ed						Jun e 202 4	ed by 30 Jun e 202 4	duct ed by 30 Jun e 202 5		duct ed by 30 Jun e 202 5													d te r m re vi e w
		Pill ar 4: So und Fin anc ial Ma nag em ent – Ad dre ss Po st Au dit Acti on Pla n	FI N O 2	4.2 To ensure effecti ve financi al reporti ng	4.2.1 To ensu re that the repo rti ng func tion is well reso urce d and provi ded with ongo ing traini ng to rema in abre ast with all the com plan	4.2. 1.1 Ann ual Fina ncia l Stat eme nts	N/ A	Dat e Ann ual Fina ncia l Stat eme nts sub mitt ed to AG	N/A	Dat e AFS sub mitt ed to AG	1	1	Ni l	Ann ual AFS sub mitt ed to AG by 31 Aug ust 202 3	Ann ual AFS sub mitt ed to AG by 31 Aug ust 202 3	Ann ual AFS sub mitt ed to AG by 31 Aug ust 202 4	N/ A	Ann ual AFS sub mitt ed to AG by 31 Aug ust 202 4	Ac hi ev ed	N/A	N/A	N/ A	N/ A	N/A	N/ A	Annua l Fina ncial State ment s and Ackn owle dge ment letter	N/ A	All	Bu dge t & Re port ing	N o ch a n g es o n the ta r g et s d o n e d u r i n g Mi d te r m re vi e w	

			Pillar 4: Sound Financial Management – Address Post Audit Action Plan	FIN 03		ce reporting requirements	4.2.1.2 Consolidated Annual Financial Statements	N/A	Date Annual Consolidated AFS submitted to AG	N/A	Date Consolidated AFS submitted to AG	1	1	Nil	Annual Consolidated AFS submitted to AG by 30 September 2023	Annual Consolidated AFS submitted to AG by 30 September 2023	Annual Consolidated AFS submitted to AG by 30 September 2024	N/A	Annual Consolidated AFS submitted to AG by 30 September 2024	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Consolidated Annual Financial Statements and Acknowledgment Letter	N/A	All	Budget & Reporting	No changes on the targets done during Mid term review
			Pillar 4: Sound Financial Management – Functional	FIN 04	4.3 Compliance with the Municipal Finance Management Act and Municipal Budget	4.3.1 To ensure that the finance function is well resourced and	4.3.1.1 Budget Compilation and Approval	N/A	Date Annual Budget adopted	N/A	Adoption date for Budget	1	1	Nil	Annual Budget adopted by the 31 May 2024	Annual Budget adopted by the 23 May 2024	Annual Budget adopted by the 31 May 2025	N/A	Annual Budget adopted by the 29 May 2025	Achieved	N/A	N/A	N/A	N/A	N/A	Council resolution and Adopted draft budget	N/A	All	Budget & Reporting	No changes on the targets done	

			I Fin anc ial Ma nag em ent Sys tem and Rig oro us Co ntr ols		t and Report ing Regul ations	provi ded with ongo ing train ing to rema in abreast with all the com pliance report ing require ments	4.3. 1.2 Bud get Pro cess Plan Review	N/A	Date Adopted Budget Process Plan	N/A	Adoption date for Budget Processes Plan	1	1	NIL	Adopted budget process plan by 31 Aug 2023	Adopted budget process plan by 30 Aug 2023	Adopted budget process plan by 31 Aug 2024	N/A	Adopted budget process plan by 31 Aug 2024	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Council resolution and Adopted Budget Process Plan	N/A	All	Budget & Reporting	No change on the target score achieved during Mid-term review

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			Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	FIN 07			4.3.1.4 Mid-year Budget Adjustment	N/A	Date Approved Budget Adjustment	N/A	Adoption date for Adjustment Budget	1	1	NIL	Adjustment Budget approved by 28 February 2024	Adjustment Budget approved on 27 February 2024	Adjustment Budget approved by 28 February 2025	N/A	Adjustment Budget approved by 27 February 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Adjusted budget and Council resolution	N/A	All	Budget & Reporting	No changes on the targets done during Mid term review
			Pillar 4: Sound Financial Management – Functional	FIN 08			4.3.1.5 In-year Monitoring Reports	N/A	Number of In-year monitoring (section 71) monthly reports	N/A	Number and Submission date for In-year Monitoring	12	12	NIL	12 x In-year monitoring monthly reports submitted to Council	12 x In-year monitoring monthly reports submitted to Council	12 x In-year monitoring monthly reports (section 71) submitted	N/A	12 x In-year monitoring monthly reports (section 71) submitted	Achieved	N/A	N/A	N/A	N/A	N/A	Section 71 Reports, Council resolutions and MSC OA cplod	N/A	All	Budget & Reporting	No changes on the targets	

			ona l Fin anc ial Ma nag em ent Sys tem and Rig oro us Co ntr ols					sub mitt ed to Cou ncil and Pro vinci al Tre asur y withi n 10 wor king day s after end of peri od		Rep orts				ncil and Pro vinci al Tre asur y by the 30 Jun e 202 4	ncil and Pro vinci al Tre asur y by the 30 Jun e 202 4	ed to Cou ncil and Pro vinci al Tre asur y withi n 10 wor king day s after end of peri od by the 30 Jun e 202 5		ed to Cou ncil and Pro vinci al Tre asur y withi n 10 wor king day s after end of peri od by the 30 Jun e 202 5								confi mati on				d o n e d ur ing Mi d ter m revi ew	
			Pill ar 4: So und Fin anc ial Ma nag em ent – Ad dres s Pos t Au	FI N 0 9	4.4 To ensure effecti ve financi al reporti ng	4.4.1 To ensu re that the report ing funct ion is well reso urce d and provi ded with	4.4. 1.1 Inter im Finan cial Stat eme nts	N/ A	Nu mbe r of Inter im Finan cial Stat eme nts prep ared	N/A	Nu mbe r of Inter im Finan cial Stat eme nts prep ared	1	1	0	1 x Inter im Finan cial Stat eme nts prep ared by 30 April 202 4	0 x Inter im Finan cial Stat eme nts prep ared by 30 April 202 4	1 x Inter im Finan cial Stat eme nts prep ared by 31 May 202 5	N/ A	1 x Inter im Finan cial Stat eme nts prep ared by 30 Jun e 202 5	Ac hi ev ed	N/A	N/A	N/ A	N/ A	N/A	N/ A	Coun cil Reso lution	N/ A	All	Bu dge t & Re port ing	N o ch an ges on the tar get sd on e

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			us Co ntr ols		the com plian ce repo rting requi reme nts			end of the quar ter						Jun e 202 4	Jun e 202 4	Jun e 202 5		Jun e 202 5																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								

			Pillar 4: Sound Financial Management – Functional Financial Management System and Rigorous Controls	FIN 12			4.5.1.3 Assessment of cash coverage	N/A	Cash coverage ratio between 30 and 90 days	N/A	Number of days	30 - 90 days	N/A	N/A	Cash coverage ratio between 30 and 90 days by 30 June 2024	Cash coverage of 79 days by 30 June 2024	Cash coverage ratio between 30 and 90 days by 30 June 2025	N/A	Cash coverage ratio of 69,47 days by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Ratio Analysis Report	N/A	All	Budget & Reporting	No changes on the targets done during Mid term review
			Pillar 4: Sound Financial Management – Functional	FIN 13			4.5.1.4 Monitoring of capital project implementation	N/A	Percentage spending on capital budget	N/A	Percentage	100 %	N/A	N/A	100 % Spend of Capital Budget by 30 June 2024	100 % Spend of Capital Budget by 30 June 2024	100 % Spend of Capital Budget by 30 June 2025	N/A	100 % Spend of Capital Budget by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Ratio Analysis Report	N/A	All	Budget & Reporting	No changes on the targets

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Expenditure Management	Governance & Policy	Municipal Financial Viability and Management	Pillar 4: Sound Financial Management – Culture of Payment for Services Campaigns	FIN 16	4.6 To ensure effective financial reporting	4.6.1 Ensure all reconciliations are prepared monthly (Creditors and Bank reconciliation)	4.6.1.1 Bank and creditors reconciliations	N/A	Number of Monthly bank and creditors reconciliations prepared and reviewed	N/A	Number	12	12	NIL	12 x Monthly bank and creditors reconciliations prepared and reviewed by 30 June 2024	12 x Monthly bank and creditors reconciliations prepared and reviewed by 30 June 2024	12 x Monthly bank and creditors reconciliations prepared and reviewed by 30 June 2025	N/A	12 x Monthly bank and creditors reconciliations prepared and reviewed by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Monthly Bank Reconciliations and Monthly Creditors Reconciliations	N/A	All	Expenditure	Not changing on the target schedule during Mid term review

			Pillar 4: Sound Financial Management – Culture of Payment for Services Campaigns	FIN 17	4.7 Payment of creditors considering all related legislation including compliance with the VAT Act.	4.7.1 Perform weekly monitoring of invoice tracking report and follow up by sending the reminders to the responsible officials. Perform monthly supplier reconciliation. Perform the refresher training on stan	4.7.1.1 Payment of Creditors	N/A	Percentage Payment of Creditors for the period within 30 days	N/A	Percentage	1	1	NIL	100% Payment of Creditors within 30 days by June 2024	100% Payment of Creditors not done for the period within 30 days	100% Payment of Creditors for the period within 30 days by June 2025	N/A	100% Payment of Creditors for the period within 30 days	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Accounts Payable Age Analysis	N/A	All	Expenditure	No changes on the target score achieved during Mid term review

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				Pillar 4: Sound Financial Management – Address Post Audit Action Plan	FIN 20	4.9 Ensure compliance with SARS EMP201 prescriptions	4.9.1 Monthly submission of EMP 201 returns to South African Receiver of Revenue (SARS)	4.9.1.1 Prescribed monthly returns to comply with Income Tax Act	N/A	Number of Monthly EMP201 returns prepared , reviewed and submitted	N/A	Number	12	12	NIL	12 x Monthly EMP201 returns prepared , reviewed and submitted by 30 June 2024	12 x Monthly EMP201 returns prepared , reviewed and submitted by 30 June 2024	12 x Monthly EMP201 returns prepared , reviewed and submitted by 30 June 2025	N/A	12 x Monthly EMP201 returns prepared , reviewed and submitted by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	EMP 201 returns	N/A	All	Expenditure	No changes on the target set done during Mid term review

			Pillar 4: Sound Financial Management – Address Post Audit Action Plan	FIN 21	4.10 Ensure effective reporting in compliance with South African Receiver of Revenue legislative requirements	4.10.1 Monthly submission of EMP 501 returns to South African Receiver of Revenue (SARS)	4.10.1.1 Prescribed EMP 501 and IRP 5 returns review and submission	N/A	Number of Reports on preparation, review and submission of EMP 501 return and IRP 5's to SARS	N/A	Number	1	1	NIL	1 x Report on preparation, review and submission of EMP 501 return and IRP 5's to SARS by the 30 June 2024	1 x Report on preparation, review and submission of EMP 501 return and IRP 5's to SARS	1 x Report on preparation, review and submission of EMP 501 return and IRP 5's to SARS by the 30 June 2025	N/A	1 x Report on preparation, review and submission of EMP 501 return and IRP 5's to SARS by the 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Report on preparation, review and submission of EMP 501 return and IRP5's to SARS	N/A	All	Expenditure	No changes on the target set done during Mid term review
			Pillar 4: Sound Financial Management – Address	FIN 22	4.11 Ensure effective reporting in compliance with South African Receiver of Revenue	4.11.1 Monthly submission of VAT 201 returns to South African Receiver of Revenue	4.11.1.1 Prescribed monthly returns to comply with VAT Act	N/A	Number of Monthly VAT 201 returns prepared, reviewed and	N/A	Number	12	12	NIL	12 x Monthly VAT 201 returns prepared, reviewed and submitted	12 x Monthly VAT 201 returns prepared, reviewed and submitted	12 x Monthly VAT 201 returns prepared, reviewed and submitted	N/A	12 x Monthly VAT 201 returns prepared, reviewed and submitted	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	VAT 201 returns	N/A	All	Expenditure	No changes on the target set

			Post Audit Action Plan		ue legislative requirements	eiver of Revenue (SARS)		submitt ed						ed by 30 June 2024	ed by 30 June 2024	ed by 30 June 2025		ed by 30 June 2025													o n e d u r i n g M i d t e r m r e v i e w
			Pillar 4: Sound Financial Management – Address Post Audit Action Plan	FIN 23	4.12 Ensure effective reporting in compliance of GRAP standards	4.12.1 Facilitate the requisition processes for the appointment of Actuarial Valuation Consultants 2. Consolidate the employee relat	4.12.1.1 GRAP 25 compliance, Actuarial Valuations	N/A	Number of Actuarial Valuation Report prepared	N/A	Number	1	1	NIL	1 x Actuarial Valuation Report prepared by the 30 July 2023	1 x Actuarial Valuation Report prepared by the 30 July 2023	1 x Actuarial Valuation Report prepared by the 31 July 2024	N/A	1 x Actuarial Valuation Report prepared by 30 September 2024	Achieved	N/A	N/A	R29372,000	R29372,000	R19435,00	Internal	Actuarial Reports	N/A	All	Expenditure	No changes on the targets done during Mid term review

			Pillar 4: Sound Financial Management – Address Post Audit Action Plan	FIN 25	4.14 Ensure employee related costs inclusive of insurance premiums are payable in compliance insurance requirements	4.14.1 Perform monthly reconciliation of employee related statutory payments with group life return	4.14.1.1 Update Group Life Insurance Schedules	N/A	Number of Reports on Preparation, review and payment of insurance premiums	N/A	Number	12	12	NIL	12 x Reports on Preparation, review and payment of insurance premiums by 30 June 2024	12 x Reports on Preparation, review and payment of insurance premiums by 30 June 2024	12 x Reports on Preparation, review and payment of insurance premiums by 30 June 2025	N/A	12 x Reports on Preparation, review and payment of insurance premiums by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Insurance Schedules	N/A	All	Expenditure	No changes on the targets done during Mid term review
Revenue Management	Governance & Policy	Municipal Financial Viability and Management	Pillar 4: Sound Financial Management – Extend to	FIN 26	4.15 Maximize revenue generation to facilitate financial sustainability through	4.15.1 To ensure that all metered properties are registered on the syst	4.15.1.1 Monthly Billing Reports	N/A	Number of Monthly Billing reports produced	N/A	Number	12	12	NIL	12 x Monthly Billing reports produced by 30 June 2024	12 x Monthly Billing reports produced by 30 June 2024	12 x Monthly Billing reports produced by 30 June 2025	N/A	12 x Monthly Billing reports produced by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Billing Reports	N/A	All	Revenue	No changes on the targets done

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			Campaigns		within 3 months									months by 30 June 2024	months by 30 June 2024	months by 30 June 2025		this by 30 June 2025													view	
			Pillar 4: Sound Financial Management – Address Post Audit Action Plan	FIN 29	4.17 To ensure effective financial reporting	4.17.1 To ensure that all reconciliations are done timeously.	4.17.1.1 Debtors Reconciliations	N/A	Number of Monthly Debtors Reconciliations	N/A	Number	12	12	0	12 x Debtors Reconciliations by 30 June 2024	12 x Debtors Reconciliations by 30 June 2024	12 x monthly Debtors Reconciliations by 30 June 2025	N/A	12 x monthly Debtors Reconciliations by 30 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Debtors Reconciliations	N/A	All	Assets Management	No changes on the target set on the Mid term review

Supply Chain Management	Governance & Policy		Municipal Financial Viability and Management		Pillar 4: Sound Financial Management – Efficiency and Functionality of Supply Chain Management	FIN 30	4.18 To ensure that the resources to fulfil the need identified in the procurement plan are delivered at the correct price, time, place, quantity and quality to satisfy the need(s).	4.18.1 Capacity existing staff complement, Revise the SCM structure to better align to its objectives, Rental of archival facilities as a repository for documentation.	4.18.1.1 Annual Procurement Plan	N/A	Number of Annual Procurement plan approved by the Accounting Officer	N/A	Number	1	1	N/A	1 x Annual Procurement plan approved by Full Council by the 30 June 2024	1 x Annual Procurement plan approved by Full Council on the 27 June 2024	1 x Annual Procurement plan approved by the Accounting Officer by the 30 June 2025	N/A	1 x Annual Procurement plan approved by the Accounting Officer on 27 June 2025	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	Signed Annual Procurement Plan	N/A	All	SCM	Notes on the targets do not need during Mid term review
						FIN 31				4.18.1.2 Annual Procurement Plan	N/A	Number of Quarterly SCM Performance Progress Reports	N/A	Number	4	0	N/A	4X Quarterly SCM Performance Progress Reports on	4X Quarterly SCM Performance Progress Reports on	4X Quarterly SCM Performance Progress Reports on	N/A	4X Quarterly SCM Performance Progress Reports on	Achieved	N/A	N/A	N/A	N/A	N/A	Signed Implementation of Annual Procurement Plan Progress Reports	N/A	All	SCM	Notes on the targets do not need during Mid term review

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				FI N 3 4		and Con sequ ence man age ment proc esse s for offici als foun d guilt y of dela ying proc esse s.	4.20 .1.2 Sup ply Cha in Man age men t	N/ A	Nu mbe r of day s Con vers ion to a Ord er prog ress ion of all Req uisiti ons abo ve R 30 000 and belo w R 200 000 by 30 Jun e 202 4	N/A	Nu mbe r	30	30	N/ A	30 day Con vers ion to a Ord er prog ress ion of all Req uisiti ons abo ve R 30 000 and belo w R 200 000 by 30 Jun e 202 4	12 day Con vers ion to a Ord er prog ress ion of all Req uisiti ons abo ve R 30 000 and belo w R 200 000 by 30 Jun e 202 4	30 day Ave rage Con vers ion to a Ord er prog ress ion of all Req uisiti ons abo ve R 30 000 and belo w R 200 000 by 30 Jun e 202 5	N/ A	10 day Ave rage Con vers ion to a Ord er prog ress ion of all Req uisiti ons abo ve R 30 000 and belo w R 200 000 by 30 Jun e 202 5	Ac hi ev ed	N/A	N/A	N/ A	N/ A	N/A	N/ A	Orde r Book	N/ A	All	SC M	N o ch a n g es o n th e ta rg et s d o n e d ur in g Mi d te r m re vi e w
				FI N 3 5	4.21 To ensure that best practic e procu rement and contra ct manag ement	4.21. 1 Prior itizin g critic al post s to fill and Dev elop ment	4.21 .1.1 Revi ew and Man age ment of Con tract s	N/ A	Per cent age of Revi ewe d Con tract s	N/A	Per cent age	N/ A	N/ A	N/ A	100 % Revi ewe d Con tract s by 30 Jun e 202 4	100 % Revi ewe d Con tract s by 30 Jun e 202 4	100 % Revi ewe d Con tract s by 30 Jun e 202 5	N/ A	100 % Revi ewe d Con tract s by 30 Jun e 202 5	Ac hi ev ed	N/A	N/A	N/ A	N/ A	N/A	N/ A	Cont racts Repo rt	N/ A	All	SC M	N o ch a n g es o n th e ta rg et

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				FI N 3 8			4.2 2.1. 3 Acq uisiti on upd ates on the ass ets regi ster	N/ A	Nu mbe r of Mon thly Gen eral Led ger and Ass ets Reg ister Rec onci liati ons	N/A	Nu mbe r	12	12	0	12 x Mon thly Gen eral Led ger and Ass ets Reg ister Rec onci liati ons by 30 Jun e 202 4	12 x Mon thly Gen eral Led ger and Ass ets Reg ister Rec onci liati ons by 30 Jun e 202 4	12 x Mon thly Gen eral Led ger and Ass ets Reg ister Rec onci liati ons by 30 Jun e 202 5	N/ A	12 x Mon thly Gen eral Led ger and Ass ets Reg ister Rec onci liati ons by 30 Jun e 202 5	Ac hi ev ed	N/A	N/A	N/ A	N/ A	N/A	N/ A	FAR Reco ncilia tion	N/ A	All	Ass ets Ma nag em ent	N o ch a n g es o n the tar get s d o n e dur ing Mi d te r m re vi ew
				FI N 3 9	4.23 To ensure effecti ve risk manag ement	4.23. 1 To ensu re that the asse t man age ment Stand ard Oper ating Proc	4.23 .1.1 Upd ated FAR	N/ A	Nu mbe r of sub mis sion s of upd ated FAR to insu ranc e brok ers	N/A	Nu mbe r	12	0	0	12 X sub mis sion s of upd ated FAR to insu ranc e brok ers by	12 X sub mis sion s of upd ated FAR to insu ranc e brok ers by	12 X sub mis sion s of upd ated FAR to insu ranc e brok ers by	N/ A	12 X sub mis sion s of upd ated FAR to insu ranc e brok ers by	Ac hi ev ed	N/A	N/A	N/ A	N/ A	N/A	N/ A	Proof of sub missi ons to insur ers	N/ A	All	Ass ets Ma nag em ent	N o ch a n g es o n the tar get s d

DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER																														
IDP PRIORITY: SOCIAL COHESION AND SAFE COMMUNITIES																														
Function	KZN PGDS Goals	National KPA	B2B Pillar	SDBI PR Ref	Strategic Objective	Strategies	Project	Revised Project Name	Annual Key Performance Indicator / Output (2024/2025)	Revised Annual Key Performance Indicator / Output (2024/2025)	Unit of Measure	Demand	Baseline	Backlog	Preceding Year Performance		Annual Target (2024/2025)	Revised Annual Target (2023/2024)	2024/2025 Financial Year Actual performance	Status	Reasons for Variance	Planned Improvement	Annual Budget	Expenditure	Budget Source	POE	Revised POE	Ward / Municipality	Responsible Unit	Status
															2023 - 2024 Annual Target	2023 - 2024 Actual														
Council Support	Governance & Policy	Good Governance and Public Participation	Pillar 1: Putting people first – Public Participation programmes	OMM1	5.1 Integrated growth and development coordinated at administrative and political level	5.1.1 Implementation of the District Development Model One Plan	5.1.1 Speakers Forums	N/A	Number of Speakers Forums coordinated	N/A	Number	4	1	0	4 x Speakers Forums coordinated by 30 June 2024	2 x Speakers Forums coordinated by 30 June 2024	4 x Speakers Forums coordinated by 30 June 2025	N/A	2 x Speakers Forums coordinated by 30 June 2025	Partially Achieved	Speakers Forum could not be held as there was Provincial Speaker's Forum held and other	Speakers forum is planned to be coordinated in the 1st quarter of 2024-25 Financial Year	R180000,00	R2066412,00	Internal budget	Attendance register and agenda	N/A	UM DM	Council Support	No changes on the targets done during Mid term review

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			unit es Pilla r 1: Putti ng peo ple first – Publ ic Parti cipa tion prog ram mes										202 5		29th May 202 5								ncil Res oluti on					ta rg et s do ne du rin g Mi d te r m re vi e w
				O M M 7																								
					5.3.1.3 IDP Represent ative Forum Meetings to enhance the Review of the IDP	N/ A	Num ber of IDP Repr esen tativ es Foru m mee tings facili tate d	N/A	Nu mb er	3	0	3	3x IDP Repr esent atives Foru m meeti ngs facilit ated by the 31 May 2024	3x IDP Repr esent atives Foru m meeti ngs facilit ated by the 31 May 2024	3x IDP Repr esent ativ es Foru m mee tings facili tate d by the 30 June 202 5	N/ A	3x IDP Repr esent ativ es Foru m mee tings facili tate d by the 30 June 202 5	Ac hie ve d	N/A	N/A	R 27 4 82 2, 00	R1 05 470 ,00	N/ A	Minu tes and Atte nda nce regis ters	N/ A	UM DM	IDP	N o ch an ge s on the ta rg et s do ne du rin g Mi d te r m re vi e w

Water Services Authority	Strategic Infrastructure	Basic Service Delivery	Pillar 2: Delivering Basic Services – Free Basic Services and Indigent Register	Pillar 3: Good Governance – Compliance with legislation and by-laws	OMM9	5.4 To provide access to sustainable quality drinking water	5.4.1 Implementation of the Water Services Development Plan	5.4.1.1 Reduction in water provision backlogs	N/A	Percentage of households with access to basic level of water thereby reducing backlogs	N/A	Percentage Number	118788 (100%)	102584 (86%)	15409 (13%)	787 (1%) Households to be provided with access to water services by the 30 June 2024	738 (0.63%) Households provided with access to water services by 30 June 2024	3509 (3%) Households with access to basic level of water thereby reducing backlogs by 30 June 2025	2756 (2.3%) Households with access to basic level of water thereby reducing backlogs by 30 June 2025	Achieved and Exceeded	During the implementation of the projects allowance was given to a few houses who were on the project line to be also given a connection.	N/A	N/A	N/A	N/A	Progress Report Beneficiary List	N/A	UMDM	WSA	No changes on the targets do need reviewing. Mid term review
					OMM10	5.5 To provide access to sustainable sanitation	5.5.1 Implementation of the Water Services	5.5.1.2 Verification of households with access to basic (levels of sanitation.)	N/A	Percentage of households with access to basic	N/A	Percentage Number	118788 (100%)	90758 (76%)	27235 (23%)	1705 (1.4%) households to be provided with access to	1166 (0.98%) households provided with access to sanitation	1000 (0.8%) households to be provided with access to	1416 households (1.2%) to be provided	2269 households to be provided with access to sanitation	Achieved and Exceeded	VIP Toilets are a carry over from 2023-202	N/A	N/A	N/A	N/A	Beneficiary List	N/A	UMDM	WSA

					n serv ices	Dev elop men t Plan			level of sanit ation ther eby redu cing back logs						sanita tion servic es by 30 June 2024	tion serv ices by 30 June 2024	sanita tion serv ices by 30 June 2025	ed wit h access to san itati on ser vices	ation servi ces (1.9 %) by 30 June 2025		4 Fin Yea r									s do ne dur ing Mid ter m re vie w	
					O M M 1 1	5.6 To prov ide access to sust aina ble qual ity drin king water	5.6. 1 Impl eme ntati on of the Water Serv ices Dev elop men t Plan	5.6.2 Provision of quality free basic services and infrastruc ture	N/ A	Num ber of indig ent hous ehol ds provi ded with acce ss to free basi c water servi ces	N/A	Nu mber	13 00 0	10 07 9	29 21	6815 x indige nt hous eholds with access to free basic water servic es by 30 June 2024	6491 x indige nt hous eholds with access to free basic water servic es by 30 June 2024	292 1 x indig ent hous ehol ds provi ded with acce ss to free basi c water servi ces by 30 June 2025	N/ A	516 5 x indig ent hous ehol ds provi ded with acce ss to free basi c water servi ces by 30 June 2025	Ac hie ved and Ex ceeded	Indig ent regi strat ion is an ong oing proc ess	N/A	N/ A	N/A	N/ A	Indig ent regis ter	N/ A	UM DM	WS A	N o ch ange s on the tar get s do ne dur ing Mid ter m re vie w

Intergovernmental Relations	Governance & Policy	Good Governance and Public Participation	Pillar 3: Good Governance – Regular Engagement with Communities	OMM 12	5.7 Integrated growth and development coordinated at administrative and political level	5.7.1 Implementation of the District Development Model One Plan	5.7.2 DDM Political meetings	N/A	Number of DDM Political Meetings coordinated	N/A	Number	4	4	0	4 x DDM Political Meetings coordinated by 30 June 2024	8 x DDM Political Meetings coordinated by 30 June 2024	4 x DDM Political Meetings coordinated by 30 June 2025	N/A	3 x DDM Political Meetings coordinated by 30 June 2025	Partially Achieved	Meeting postponed	Synchronise dates between national, provincial and local DDM Champions offices	N/A	N/A	N/A	Attendance register, minutes and agenda	N/A	UMDM	IGR	No changes on the target standards during Mid term review
				OMM 13			5.7.3 DDM Technical meetings	N/A	Number of DDM Technical Meetings coordinated	N/A	Number	4	4	0	4x DDM Technical Meetings coordinated by 30 June 2024	7x DDM Technical Meetings coordinated by 30 June 2024	4x DDM Technical Meetings coordinated by 30 June 2025	N/A	3x DDM Technical Meetings coordinated by 30 June 2025	Partially Achieved	Meeting postponed	Synchronise dates between national, provincial and local DDM Champions offices	N/A	N/A	N/A	Attendance register, minutes and agenda	N/A	UMDM	IGR	No changes on the target standards during Mid term review

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								stiga tion conc lude d						concl uded by 30 June 2024	concl uded by 30 June 2024	conc lude d by 30 June 202 5		conc lude d by 30 June 202 5							repo rt				on the ta rg et s do ne du rin g Mi d te r m re vi ew
Risk Management	Governance & Policy	Good Governance and Public Participation	Pillar 3: Good Governance – Compliance with legislation and by-laws	OM 15	5.9 To ensure effective risk management and compliance within the municipality	5.9.1 Implementation of the risk management, fraud and corruption strategies	5.9.1.1 Operational - Implementation of Risk Management Plan	N/A	Date Approved risk and fraud assessment report for 2024/2025 financial year by Council	N/A	Date of approving risk assessment report	Approval of 2024/2025 risk assessment and fraud assessment report by 30 June 2025	Approval of the risk and fraud assessment report for 2024/2025 financial year by Council on 31 May 2024	Approval of the risk and fraud assessment report for 2024/2025 financial year by Council on 31 May 2024	Approved risk and fraud assessment report for 2024/2025 financial year by Council by 30 June 2025	N/A	Risk Assessment workshop took place on the 23 and 24th June 2025. Risk assessment report to be sent to coun	Not Achieved	Risk Assessment was concluded later than initially planned, which was April 2025, hence report could	Risk assessment workshop has now been concluded and will be sent to council in its meeting	N/A	N/A	N/A	Approved risk and fraud assessment report and council resolution	N/A	UM DM	Risk and compliance	No changes on the targets done during Mid term review	

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				O M M 1 7			5.9.1.3 Operatio- nal - Com- pliance Man- age-ment monitorin- g	N/ A	Number of Compliance reports concluded and submitted to the Risk Management Committee	N/A	Num-ber	4	4	0	4 x Compliance reports concluded and submitted to the Risk Management Committee by the 30 June 2024	4 x Compliance reports concluded and submitted to the Risk Management Committee by the 30 June 2024	4 x Compliance reports conclude d and submitte d to the Risk Manage ment Committe e by the 30 June 202 5	N/ A	4 x Compliance reports conc lude d and sub mitte d to the Risk Man age men t Com mittee by the 30 June 202 5	Achieved	N/A	N/A	N/ A	N/A	N/ A	Quarterly compliance reports, RM CO agenda and minutes	N/ A	UM DM	Risk and complian ce	No change s on th e ta rget s do ne du rin g Mi d te rm re vie w
				O M M 1 8			5.9.1.4 Operatio- nal - Impleme- ntation of Risk Manage- ment Plan	N/ A	Number of Sittings of the Risk Management committee coordina ted	N/A	Num-ber	4	4	0	4 x Sitting of the Risk Mana geme nt com mittee coord inate d by the 30 June 2024	5 x Sitting of the Risk Mana geme nt com mittee coord inate d by the 30 June 2024	4 x Sitting of the Risk Man age men t com mittee coordinat ed by the 30 June	N/ A	5 x Sitting of the Risk Man age men t com mittee coordinat ed by the 30 June	Achieved and Exce eded	special mee ting to disc uss risk ass ess men t reports	N/A	R 33 13 8, 00	R3 7 620 ,00	In tern al bu d get	Risk Man age ment Com mittee atte ndance regis ters and Risk Man age ment Com mittee	N/ A	UM DM	Risk and complian ce	No change s on th e ta rget s do ne du rin g Mi d te

																2025		2025																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						

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					O M M 2 3	lity in line with the Miss ion and Visi on.			N/ A	Num ber of muni cipal build ings bran ded and bran ding mat erial proc ured for mar ketin g purp oses	N/A	Nu mb er	N/ A	N/ A	N/ A	1x bran ded 242 build ing and procu reme nt of brand ing mat erial for mark eting purpo ses by 30 June 2024	1 X bran ded build ing 242 and servic e deliv ery bookl et for mark eting purpo ses by 30 June 2024	1x bran ded 242 build ing and procu re men t of brand ing mat erial for mar ketin g purp oses by 30 June 202 5	N/ A	1x bran ded 242 build ing not don e and procu re men t of brand ing mat erial for mar ketin g purp oses don e by 30 June 202 5	Br and ing and lette ring of two wate r tank ers, Br and ing mat erial for mar	Pa rti all y Ac hie ved	Insu ffici ent bud get	Bud get is pla nned to be incr eased duri ng 25/ 26 Fin Yea r	25 0 00 0	63 050	In tern al bud get	Req uisiti ons, Purc hase Ord er, Invoi ce, Desi gns and artw ork and pictu res	N/ A	UM DM	Com muni cation s	N o ch an ge s on th e ta rg et s do ne dur ing Mi d ter m rev iew

Performance Management	Security Management		Pillar 3: Good Governance - Interventions	OMM28	5.13 To ensure a safe environment for all municipal employees, councilors and assets	5.13.1 Implementation of the security policy	5.13.1.1 Provision of Security Services	N/A	Percentage of Provision of a safe environment for all municipal employees, councilors, and assets	N/A	Percentage	N/A	N/A	N/A	100% Provision of a safe environment for all municipal employees, councilors, and assets as per user Department request/assessment by 30 June 2024	100% Provision of a safe environment for all municipal employees, councilors, and assets as per user Department request/assessment by 30 June 2024	100% Provision of a safe environment for all municipal employees, councilors, and assets by 30 June 2025	N/A	100% Provision of a safe environment for all municipal employees, councilors, and assets by 30 June 2025	Achieved	N/A	N/A	R 21 218 009,00	R2 3 219 086,68	Internal budget	Monthly Reports	N/A	UM DM	Security Services	No changes on the targets done during Mid term review
	Human and Community Development																													
	Good Governance and Public participation																													
Performance Management	Governance & Policy		Pillar 5: Building Capacity - Implementation of Performance Management	OMM29	5.14 To maintain an organizational performance management system	5.14.1 Implementation of the performance management system	5.14.1.1 Development and approval of SDBIP	N/A	Date Approved Organizational service delivery and budget implementation	N/A	Date	1	1	0	Approval of the Organizational service delivery and budget implementation plan	Approval of the Organizational service delivery and budget implementation plan	Approved Organizational service delivery and budget implementation	N/A	1X Final SDBIP 25/26 developed and submitted to the mayor for	Achieved	N/A	N/A	N/A	N/A	N/A	Approved SDBIP for 24/25 financial years	N/A	UM DM	Performance Management	No changes on the targets done during
	Good Governance and Public participation																													

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

4.1 COMPONENT A - INTRODUCTION MUNICIPAL PERSONNEL

The table below indicates the total number of approved posts within the organisational structure being 821 Out of the total of 821 posts 48 are management level posts.

TOTAL NUMBER OF EMPLOYEES				
		2024/2025		
Department	Approved Posts	Filled Posts	Number of Management Levels	Number of vacancies
Office of the Municipal Manager	68	23	12	35
Finance (Budget & Treasury) Department	189	112	6	77
Community Services Department	239	174	9	65
Corporate Services Department	74	66	4	08
Technical Services Department	235	168	14	67
Economic Development	16	9	3	7
Total	821	552	48	259

Table 30: Staffing Status Per Department

The following table indicates vacancy rate for the period

VACANCY RATE 2024/2025			
Designation	Total approved posts as per Organogram	Filled	Vacant
Municipal Manager	1	1	0
CFO	1	1	0

Other Section 57 Managers (Excluding Finance posts)	4	3	1
Other Section 57 Managers (Finance Posts)	0	0	0
Fire Fighters	125	111	14
Senior Management Levels (Excluding Finance Posts)	48	38	10
Senior Management Levels (Finance Posts)	6	5	1
Highly Skilled Supervision Levels (Excluding Finance posts)	54	33	21
Highly Skilled Supervision Levels (Finance Posts)	14	8	6
Total	253	200	53

Table 31: Vacancy Rate

TURNOVER RATE

TURNOVER RATE			
Financial Year	Total appointments	Terminations during the Year	Turnover Rate
2018/2019	110	31	5.74%
2020/2021	40	27	7.36%
2022/2023	119	20	3.5%
2023/2024	185	31	5%
2024/2025	22	14	2.54%

COMMENTS ON VACANCIES AND TURNOVER RATE

The organogram comprises a total of 821 posts, of which 552 positions were filled, leaving 259 posts vacant. The vacancy rate for the 2024/25 financial year stands at 31.54%, indicating the proportion of unoccupied positions relative to the total posts available. The turnover rate, calculated as the percentage of employees who left the organization during the year based on an average staff

complement of 552, is approximately 2.54%. These metrics reflect ongoing staffing dynamics and highlight areas for potential human resource focus to improve retention and reduce vacancies

4.2 COMPONENT B- MANAGING THE MUNICIPAL WORKFORCE

POLICIES

The Municipality has developed and adopted policies through which personnel administration is conducted. The policies in place are grounded in sound research, critical analysis and solid proposals to clearly express its ideas of supplying sound services to the community. As process of reviewing the existing policies was undertaken and are be adopted in the next financial year.

Below is a list of all existing policies that govern the municipality, this includes date of their adoption by Municipal structures.

Name of Policy	Department	Last adopted	Status of policy
Employment of the Municipal Manager and Managers accountable to the Municipal Managers	Corporate Services	28/07/2022	Approved
Employment Policy for Employees Below Section 56/57	Corporate Services	28/07/2022	Approved
Promotion and Demotion Policy	Corporate Services	28/07/2022	Approved
Acting Policy	Corporate Services	11/06/2021	Approved
Confidentiality Policy	Corporate Services	01/11/2019	Approved
Employing Non-Full-Time Staff Policy	Corporate Services	11/06/2021	Approved
Gift Policy	Corporate Services	01/11/2019	Approved
Placement Policy	Corporate Services	01/11/2019	Approved
Remuneration Policy	Corporate Services	01/11/2019	Approved
Secondment of Employees to Other Municipalities or Within the Municipality	Corporate Services	01/11/2019	Approved
Leave Policy	Corporate Services	11/06/2021	Approved
Transfer Policy	Corporate Services	28/07/2022	Approved
Job Evaluation Policy	Corporate Services	28/07/2022	Approved
Attendance and Punctuality	Corporate Services	01/11/2019	Approved
Dress Code Policy	Corporate Services	01/11/2019	Approved
Private Work Policy	Corporate Services	01/11/2019	Approved
Exit Management Policy	Corporate Services	01/11/2019	Approved
Overtime Policy	Corporate Services	01/11/2019	Approved
Operational Allowance Policy	Corporate Services	11/06/2021	Approved
Housing Allowance Policy	Corporate Services	01/11/2019	Approved
Experiential Training Policy	Corporate Services	01/11/2019	Approved
Bursary Scarce Skills Policy	Corporate Services	01/11/2019	Approved
Employee Bursary Policy	Corporate Services	01/11/2019	Approved
Sexual Harassment Policy	Corporate Services	01/11/2019	Approved
Workplace Gender Based Violence and Femicide Policy	Corporate Services	01/11/2019	Approved
HIV/AIDS and Tuberculosis (TB) Policy	Corporate Services	01/11/2019	Approved
Bereavement Policy	Corporate Services	28/07/2022	Approved
Substance Abuse Policy	Corporate Services	01/11/2019	Approved
Occupational Health & Safety Policy	Corporate Services	01/11/2019	Approved
Municipal Protective Clothing/ Equipment & Uniform Policy	Corporate Services	01/11/2019	Approved
Smoking Policy	Corporate Services	01/11/2019	Approved
Municipal Subsistence and Travel Allowance	Corporate Services	01/11/2019	Approved
Telecommunication Policy	Corporate Services	11/06/2021	Approved
Security and Access Control Policy	Corporate Services	01/11/2019	Approved
Parking Policy	Corporate Services	01/11/2019	Approved
Records Management Policy	Corporate Services	01/11/2019	Approved
Fleet Management Policy	Corporate Services	01/11/2019	Approved
Political Office Bearers Vehicle Policy	Corporate Services	01/11/2019	Approved
Car/Travel Allowance Policy	Corporate Services	11/06/2021	Approved
Human Capital Retention Policy	Corporate Services	28/11/2024	Approved
Grievance Resolution Policy	Corporate Services	28/11/2024	Approved
Discipline Policy	Corporate Services	28/11/2024	Approved
Incapacity Due to Poor Work Performance Policy	Corporate Services	28/11/2024	Approved

Name of Policy	Department	Last adopted	Status of policy
Incapacity Due to Ill Health or Injury Policy	Corporate Services	28/11/2024	Approved
Incapacity Due to Operational Requirements Policy	Corporate Services	28/11/2024	Approved
Additional Responsibility Allowance Policy	Corporate Services	28/11/2024	Approved
Membership of Medical Schemes and Registration of Dependents on Accredited Medical Schemes	Corporate Services	28/11/2024	Approved
Sabbatical Leave Policy	Corporate Services	28/11/2024	Approved
Absorption Policy	Corporate Services	28/11/2024	Approved
Facilities Maintenance Policy & Plan	Corporate Services	28/11/2024	Approved
Information Technology Security Policy	Corporate Services (ICT)	28/11/2024	Approved
Business Continuity Policy	Corporate Services (ICT)	28/11/2024	Approved
Smart Device Policy	Corporate Services (ICT)	28/11/2024	Approved
Access Control Policy	Corporate Services (ICT)	28/11/2024	Approved
Information Technology Security Policy	Corporate Services (ICT)	28/11/2024	Approved
Business Continuity Policy	Corporate Services (ICT)	28/11/2024	Approved
Performance Management Systems Policy	Office of the Municipal Manager	27/06/2024	Approved
EPWP Recruitment and Selection Policy	Office of the Municipal Manager	31/07/2018	Approved
Whistle Blower Policy	Office of the Municipal Manager	27/07/2023	Approved
Risk Management Policy	Office of the Municipal Manager	27/07/2023	Approved
Revenue Enhancement Strategy	Budget & Treasury	14/09/2018	Approved
Fixed Assets Policy	Budget & Treasury	23/05/2024	Approved
Cash Management, Banking and Investment Policy	Budget & Treasury	23/05/2024	Approved
Tariff Policy	Budget & Treasury	23/05/2024	Approved
Budget Policy	Budget & Treasury	23/05/2024	Approved
Indigent Policy	Budget & Treasury	23/05/2024	Approved
Supply Chain Management Policy	Budget & Treasury	23/05/2024	Approved
Credit Control and Debt Collection Policy	Budget & Treasury	23/05/2024	Approved
Petty Cash Policy	Budget & Treasury	23/05/2024	Approved
Cost Containment Policy	Budget & Treasury	23/05/2024	Approved
Debt Management & Credit Control Policy	Budget & Treasury	23/05/2024	Approved
Debt Write-off Policy	Budget & Treasury	23/05/2024	Approved
HR Related Policies	Budget & Treasury	23/05/2024	Approved
Standard Office Furniture Policy	Budget & Treasury	24/02/2017	Approved

Table 33: Policy Status

INJURIES, SICKNESS, AND SUSPENSIONS

Insurance for Injury-On-Duty (IOD) is paid on an annual basis. The district municipality has insurance with the Department of Labour's Workman Compensation (WCA) When there is an IOD case, hospitals and doctors submitted claims directly to WCA.

For 2024/25 the following tables provide the status in terms of injuries, sickness and suspensions/consequence management.

INJURIES/SICKNESS

Number of days taken for Injury-On-Duty	Nil
Number of Disablements	Nil
Number of permanent disablements	Nil
Number of fatal injuries	Nil
Number of sick days taken	1411 Days

Table 34: Injuries, Sickness Information

SUSPENSIONS/ CONSEQUENCE MANAGEMENT

During the 2024/25 Financial year, 6 cases of misconduct were recorded and attended and below is the update on progress:

No	Designation	Misconduct	Date of suspension	Date Suspension uplifted	Outcome
1	Plumber	Gross Misconduct	N/A	N/A	Matter finalized – Settlement
2	Plumber	Negligent driving	N/A	N/A	Matter finalized – Settlement Agreement
3	Supervisor: Water Tanker	Vehicle Abuse	N/A	N/A	Matter finalized – Settlement Agreement
4	Cleaner	AWOL	N/A	N/A	Matter finalized
5	Firefighter	Abscondment	N/A	N/A	Dismissed
6	Committee Officer	Dereliction of duties	N/A	N/A	Matter finalized - Settlement Agreement
7	Firefighter	AWOL	N/A	N/A	Matter finalized – Referred to EAP
8	Firefighter	Dereliction of duties	N/A	N/A	Matter finalized – Settlement Agreement
9	Firefighter	AWOL	N/A	N/A	Matter finalized – Settlement Agreement
10	Firefighter	Gross Misconduct	N/A	N/A	Matter finalized – Settlement Agreement
11	IT Technician	Gross Misconduct	N/A	N/A	Matter finalized – Settlement Agreement

4.3 COMPONENT C – CAPACITATING THE MUNICIPAL WORKFORCE

SKILLS DEVELOPMENT AND TRAINING

The municipality has an obligation in terms of the Skills Development Act of 1998, to develop its employees by providing training and development opportunities for them. In light of the above the municipality as a learning organisation understands the importance of human resource development and human capital, has developed and implemented a workplace skills plan (WSP) that is based on the capacity and developmental requirements identified by employees and managers.

All municipal employees have been encouraged to submit their bursary application to the skills development unit, to be forwarded to the bursary committee for further scrutiny. The committee then made recommendations on who qualifies to receive such assistance based on the motivations received.

Below is a list of all trainings and skills programme employees supported on.

Position	Programme Name	Type of programme
Senior Managers	Municipal Staff Regulation Phase Three	Visual Workshop
Finance Revenue Clerk	Revenue Management	Workshop
Artisan Plumber and General Workers	Water wastewater Treatment	Skills Programme
ISO Officer and Operational Manager	Project Managements	Skills Programme
Councillors	Local Government Councillor Practice	Skills Programme
Senior Manager and Councillors	Cybersecurity Awareness session	Workshop
General Worker	TLB Operator	Skills Programme
Fire Fighter, General Worker, Property Guard	CODE 14	Learnership
Fire Fighters	Pump Operator	Skills Programme
Unemployed Youth	Plumbing	Skills Programme
Unemployed Youth	Crop Production	Learnership
IT	ITAL 4 Foundation	Skills Programme

Senior Manager, Division Manager and Supply Chain Manager and Operational Manager	Municipal Finance Management Programme	Learnership
General Workers	Plumbing NQF L4	Skills Programme
Local Municipality employees and uMgungundlovu District Employee	Municipal Finance Management Programme	Skills Programme
Record Clerk and Executive secretary	Record and Preservation Workshop	Short Course
Unemployed Youth	Baking Programme	Skills Programme
Unemployed Youth	NCV INTERNSHIP	Internship
Unemployed Youth	NATED	Internship
Unemployed Youth	National Diploma Public Management	Internship
Unemployed Youth	National Diploma Management Assistant	Internship
Unemployed Youth	National Diploma Financial Accounting	Internship
Unemployed Youth	Bachelor in Environmental Management	Internship

BURSARIES

A total of 18 internal employee bursaries were awarded to staff during the financial year of 2024/25 and are as follows:

Position	Programme Name	Duration
Buyer	Bachelor of Commerce in Financial Management	Three Year (LGSETA Funded)
Labour Relation Clerk	N6 Public Management	18 Months (LGSETA Funded)
Fire Fighter	Bachelor of Laws	Three Year (LGSETA Funded)
Executive Secretary	Bachelor in Environmental Management	Three Year (LGSETA Funded)

Store Clerk x2	Bachelor in Supply Chain Management	Three Year (LGSETA Funded)
Debor Clerk	Bachelor in Supply Chain Management	Three Year (LGSETA Funded)
Committee Officer x2, Administration Officer and Receptionist	National N Diploma in Public Management	18 Months
Fire Fighter x3	Diploma Management in Fire Technology	Three Year
Tourism Coordinator	Bachelor of Commerce in Tourism and Hospitality Management	Three Years
Disaster officer x3	Diploma in Disaster Risk Management	Three Year

MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS

MFMA Implementation Report as of 30 June 2025 Municipal Regulations on Minimum Competency Levels						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated Competency assessments completed for A and B (Regulation 14(4) (b) and (d))	Consolidated: Total number of officials whose performance agreements comply with the Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14 (4) (e))
Financial Officials	97	1	98	14	14	14
Accounting Officer	1	1	2	2	1	1
Chief Financial Officer	1	1	2	2	1	1
Managers	3	2	5	2	2	2

Any other financial officials	3	0	3	3	3	3
Supply Chain Management Officials	4	1	5	3	3	3
Supply chain Management managers	1	0	1	1	1	1
TOTAL	110	6	116	27	25	25

Table 37: MFMA Competency Status

COMMENTS ON SKILLS DEVELOPMENT AND FINANCIAL COMPETENCY REGULATIONS

Training and development is implemented through the WSP which outlines the planned training and development for an organisation. Its main purpose is to make provision for training and development that meets the needs of the municipality to able to fulfil its developmental role as well as training and development that grows and develops employees in order to enable them to work effectively and efficiently in the delivery of services to the communities. The municipality remains fully compliant with the minimum competency regulations requirements.

4.4 COMPONENT D – MANAGING THE WORKFORCE EXPENDITURE

4.4.1 EMPLOYEE COST / EXPENDITURE

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
25. Employee related costs				
Basic	208 982 637	184 713 165	202 546 787	178 465 371
Bonus	16 913 545	14 028 446	16 340 351	13 763 616
Medical aid - company contributions	17 159 690	15 171 956	17 066 613	15 139 253
UIF	1 352 676	1 141 805	1 352 676	1 205 866
WCA	2 384 271	2 010 161	2 384 271	2 010 161
SDL	2 884 116	2 441 556	2 812 411	2 391 344
Other - Bargaining Council	97 392	91 667	97 392	91 667
Leave pay provision charge	3 237 989	4 477 302	3 073 093	4 282 121
Cell phone Allowances	580 946	367 151	435 100	228 052
Group Life Contributions	4 933 970	4 693 303	4 933 970	4 693 303
Standby Allowances	13 366 157	9 253 625	13 366 157	9 253 625
Other - Tool Allowances	1 370 839	1 277 309	1 370 839	1 277 309
Defined contribution plans	39 439 532	37 148 509	39 056 908	36 804 933
Travel, motor car, accommodation, subsistence and other allowances	17 168 670	13 860 717	17 168 670	13 860 717
Overtime payments	11 842 043	8 267 450	11 842 043	8 267 450
Long-service awards	6 206 686	3 916 472	6 206 686	3 916 472
Acting allowances	4 438 825	1 938 843	4 358 124	1 935 214
Car allowance	-	59 400	-	-
Housing benefits and allowances	5 470	1 258 842	1 267 664	1 258 842
Uniforms & Clothing Allowances	-	23 703	5 470	23 703
Shift Allowance	14 429 278	12 909 124	14 429 278	12 909 124
Backpay	47 115	22 146	-	-
Termination benefits - Curtailment and Settlements	5 193 640	5 340 091	5 193 640	5 340 091
	373 303 051	324 412 743	365 308 143	317 118 234

Table 2: Employee Related Costs and Councillors' Remuneration

Comments on Employee Related Expenditure

Employee-Related Costs increased as a result of the 4.5% salary and wage adjustment effective 1 July 2024, and the additional 1.5% increase implemented on 1 March 2025.

CHAPTER 5: FINANCIAL PERFORMANCE

Statement of Financial Performance

5.1 Revenue

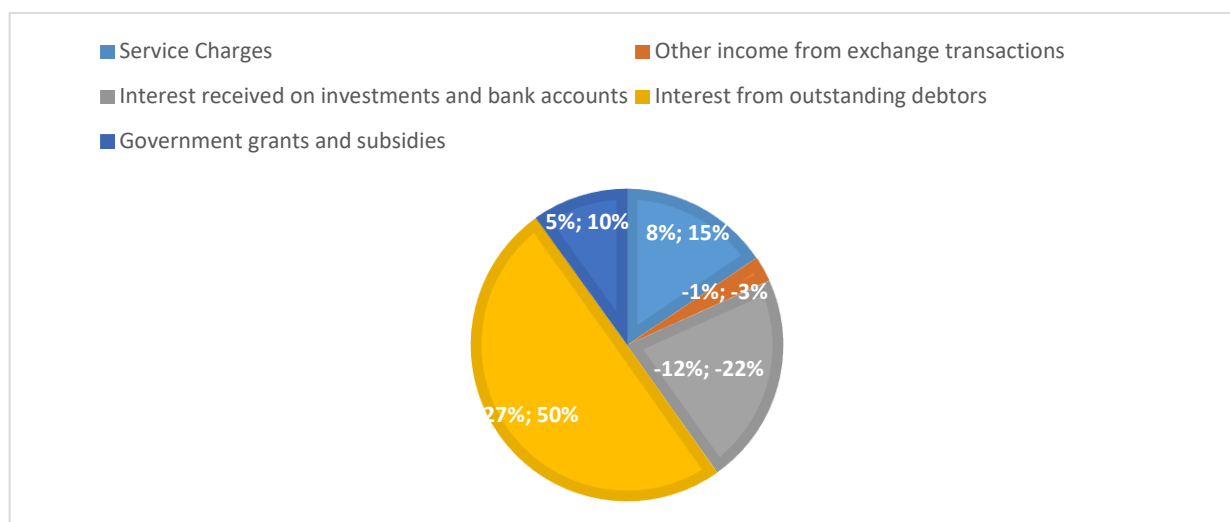
Revenue Source	Jun-25	Jun-24	Fluctuation
Services charges	524 258 991	483 921 128	8%
Debt waived	-	17 382 096	-100%
Other income from exchange transactions	461 694	468 304	-1%
Interest received on investments and bank accounts	30 508 914	34 566 256	-12%
Interest from outstanding debtors	106 203 210	83 822 289	27%
Government grants and subsidies	982 639 109	933 442 381	5%
Public contributions and donations	-	3 338 731	-100%
Total Revenue	1 644 071 918	1 556 941 185	6%

Table 3: Revenue Fluctuations by Source

Total revenue increased by 6% for the 2025 financial year. This growth was largely supported by an 8% increase in service charges, reflecting the municipality's continued efforts to implement cost-reflective tariffs through a phased approach aligned to the expenditure required for service delivery.

Despite this positive performance, the debt collection rate remained below the 95% norm. Consequently, the increase in service charges contributed to a 27% rise in interest charged on outstanding debtors when compared to the previous financial year.

Interest earned from investments and bank accounts declined by 12%, indicating reduced returns on available cash resources. Government grants and transfers recorded an improvement of 5% relative to the prior year, providing additional support to the municipality's funding framework.



Graph 1: Revenue Contributions Per Source

The municipality's revenue continues to be primarily grant-funded, with grant dependency remaining unchanged at 60% compared to the previous financial year. Service charges contributed 32% of total revenue, reflecting the second-largest revenue source. Interest

on outstanding debtors accounted for 6% of total revenue, underscoring the ongoing impact of lower collection rates on the municipality's financial position.

5.2 Consumer Debtors

The debtors' book closed at R1.309 billion for the 2025 financial year, compared to R1.178 billion in the previous year. A substantial portion of this balance relates to long-outstanding debt, with debt older than 150 days comprising 84% of the total debtors' book. This continues to place pressure on the municipality's cash flow and highlights the need for strengthened credit control and debt management interventions.

Number of Days	2025 R
Current (0 - 30 days)	63 699 733.77
31 – 60 days	43 461 313.23
61 - 90 days	40 687 831.72
91 - 120 days	30 391 534.46
120 - 150 days	30 044 361.13
> 150 days	1 100 804 268.05
Total	1 309 089 042.36

Table 4: Ageing of Consumer Debtors

The municipality persists in its efforts to strengthen its revenue base by implementing the following strategies, inter alia:

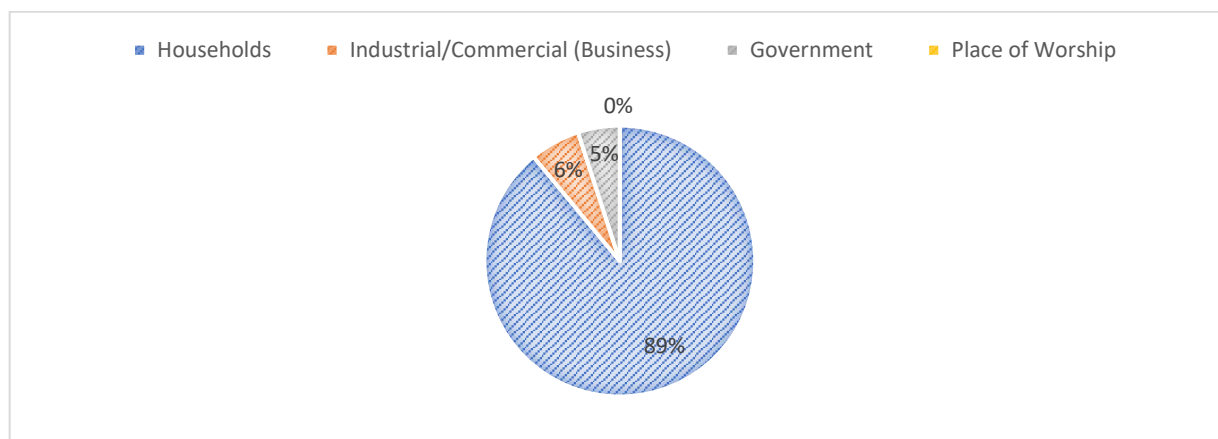
- A meter audit is currently underway to ensure that all who have access to water are billed; meters are allocated to the correct properties and to identify any faulty and/or dysfunctional meters.
- The debtors' database is being updated with information sourced from the meter audit findings as well as the indigent registration to ensure credibility.
- The indigent drive continues across the district.
- The capacity for purposes of meter reading has been improved on a regular basis as to achieve accurate and complete billing.
- The utilisation of debt collectors to assist in recoveries on long outstanding amounts.

CONSUMER DEBTORS PER CATEGORY		
Debtors Categories	Total	% Contribution
Households	1 161 091 784	89%
Industrial/Commercial (Business)	76 954 870	6%
Government	65 900 376	5%
Place of Worship	5 142 013	0%
Gross Debtors	1 309 089 043	100%
Less: Accumulated Impairment	1 204 526 070	92%
As disclosed per note to AFS	104 562 973	8%

Table 5: Debtors by Category

Households remain the major contributor to the debtors' balance, accounting for 89% of the total. Of this amount, 92% has been impaired, reflecting the municipality's assessment of recoverability. Consistent with the municipality's impairment methodology, 92% of all debtors aged 150 days and older has been impaired.

This trend underscores the persistent challenge of long-outstanding household debt and highlights the critical need for the municipality to strengthen and consistently enforce the Credit Control and Debt Collection Policy, applicable Municipal By-laws, and related revenue enhancement strategies to improve collection levels.



[Graph 3: Contributions to debtor's balance](#)

5.3 Expenditure

Expenditure	2025	2024	Fluctuation
Employee related costs	365 308 143	317 177 634	15%
Remuneration of councillors	16 501 166	16 517 850	0%
Depreciation and amortisation	66 706 726	55 638 526	20%
Finance costs	15 204 210	16 859 324	-10%
Lease rentals on operating lease	25 004 850	20 946 140	19%
Debt impairment	61 996 778	294 711 255	-79%
Bad debts written off	244 280 342	8 290 617	2846%
Inventory consumed	247 150 716	203 735 886	21%
Contracted services	271 550 199	252 235 277	8%
Transfers and subsidies	12 700 000	12 037 045	6%
General expenses	59 961 872	58 572 839	2%
Loss on disposal of assets	-1 260 944	54 328	-2421%
Actuarial gains / (losses)	711 343	1 163 000	-39%
Impairment of non-current assets	724 009	35 423 368	-98%
Inventories losses/adjustments	165 088 979	47 554 701	247%
Total Expenditure	1 551 628 389	1 340 917 790	16%

[Table 6: Expenditure Fluctuations by Type](#)

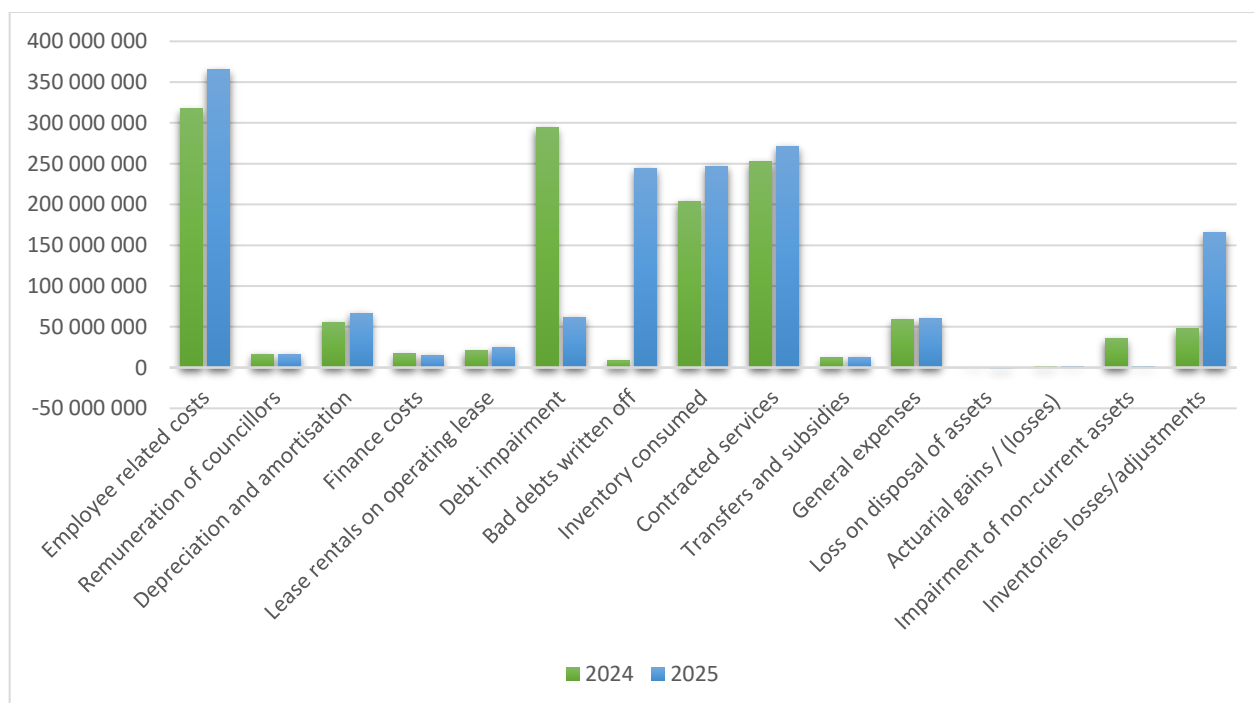
Operating expenditure increased by 16% in the 2025 financial year when compared with the 2024 financial year. The economic entity continues to prioritise its core mandate of providing water and sanitation services to communities within the district, with the bulk of expenditure directed toward service delivery activities.

The key contributors to operating expenditure included Bad Debts Written Off, which increased significantly by 2 846%, Inventory Losses/Adjustments at 247%, Inventory Consumed at 21%, and Employee-Related Costs at 15%. The substantial rise in unrecoverable debt during the year, driven by ongoing challenges in collecting amounts owed for services rendered, resulted in the marked increase in Bad Debts Written Off.

Employee-Related Costs increased as a result of the 4.5% salary and wage adjustment effective 1 July 2024, and the additional 1.5% increase implemented on 1 March 2025.

Depreciation and amortisation also increased due to asset additions during the financial year, which expanded the depreciable asset base.

The municipality further recognised an impairment loss attributable to a combination of unauthorised consumption, leakages across transmission and distribution mains, storage reservoirs, and service connections. Contributing factors included widespread water losses, illegal connections, faulty meters, and an increasing number of consumers billed on a flat-rate tariff, which limits the accuracy of consumption measurement.

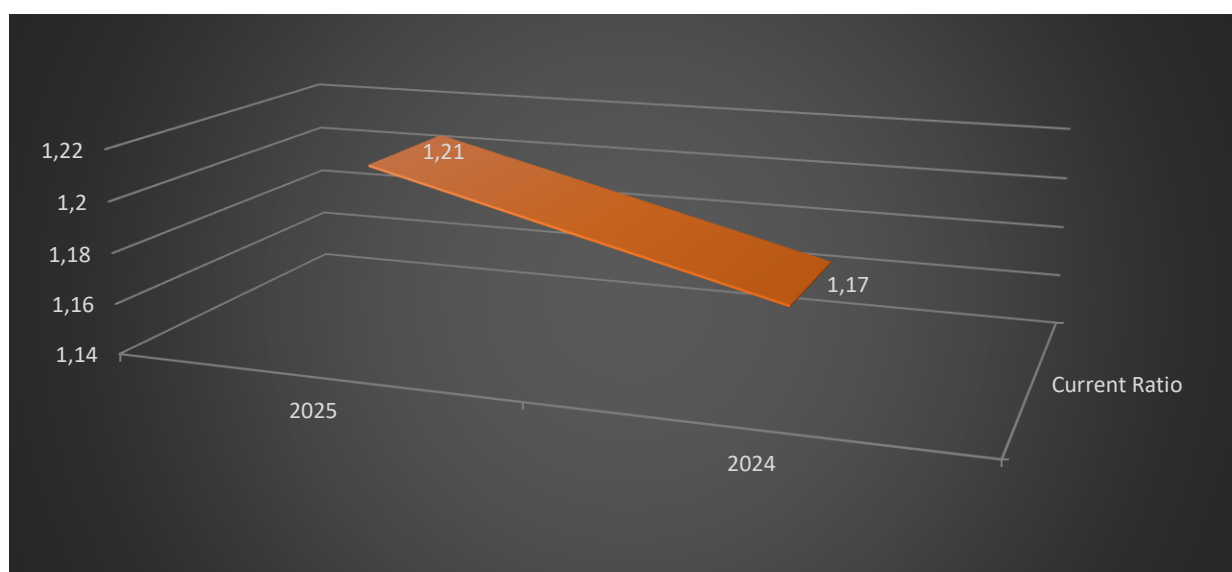


[Graph 5: Expenditure Contributions by Type](#)

The entity continues in its efforts to achieve improved financial management by controlling and limiting non-core expenditure items and reducing operational costs through the implementation of the Cost Containment Measures as per MFMA Circular 97 as well as the entity's Cost Containment Policy.

Cash flow Management and Investment

5.4 Liquidity Management



Graph 7: Liquidity Ratio Trend

The current ratio measures the economic entity's ability to meet its short-term liabilities using short-term liquid assets. National Treasury recommends a norm of 1.5 to 2:1, with higher ratios indicating a stronger capacity to settle short-term obligations. While the municipality's current ratio continues to improve steadily, it remains below the recommended range.

As illustrated in the graph above, the current ratio increased from 1.17:1 in 2024 to 1.21:1 in 2025, reflecting gradual improvement in liquidity and progress toward achieving sufficient short-term assets to comfortably meet current liabilities. The municipality continues to focus on reducing unnecessary expenditure, controlling, and lowering fixed costs, and strengthening revenue collection strategies to enhance liquidity, settle creditors timeously, and sustain service delivery.

The cash coverage ratio assesses the municipality's ability to fund fixed operational costs using available cash, excluding unspent conditional grants. National Treasury recommends maintaining this ratio between 1 and 3 months (30 to 90 days).

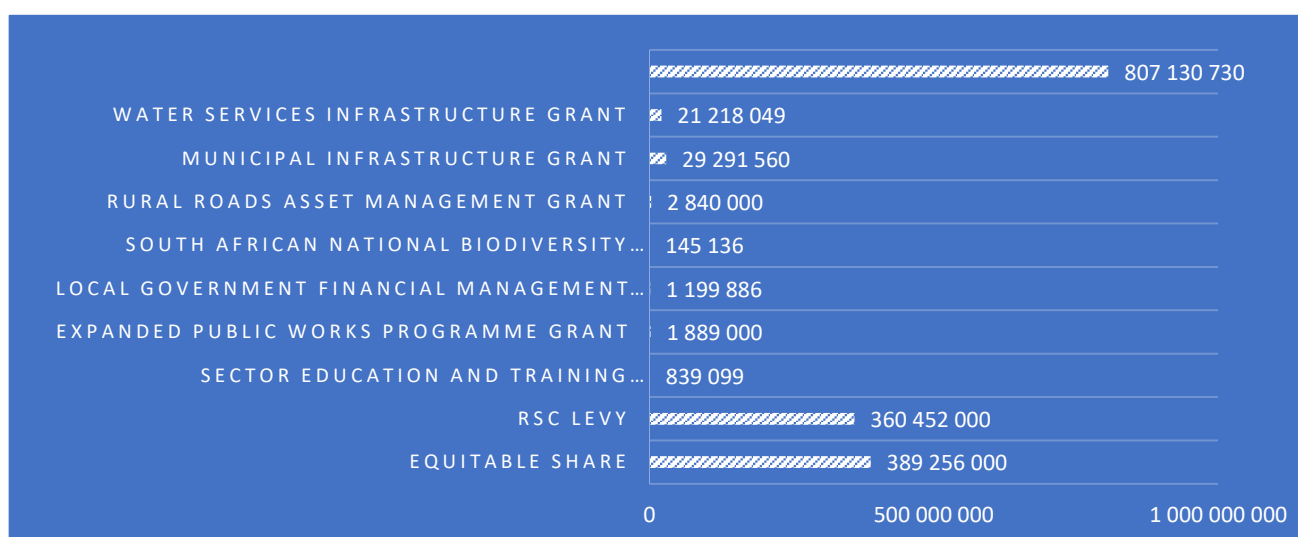
For the 2025 financial year, the economic entity maintained a cash coverage ratio of 2.31 months, which falls within the recommended norm. This demonstrates that the municipality had sufficient cash resources to fund monthly fixed operational expenditure and continue delivering services without disruption.

5.5 Borrowings

As of 30 June 2025, the loan balance was at a total value of R 140.395 million down from R 156.278 million in the prior year. The average interest rate on remaining loan is 10.889%. The debt to revenue ratio was at 21% % for the 2025 financial year, the ratio is within the norm of below 45% as set out by National Treasury. This indicates that the entity still has capacity to increase funding from borrowings, however, this should be considered within the cash flow requirements of the economic entity.

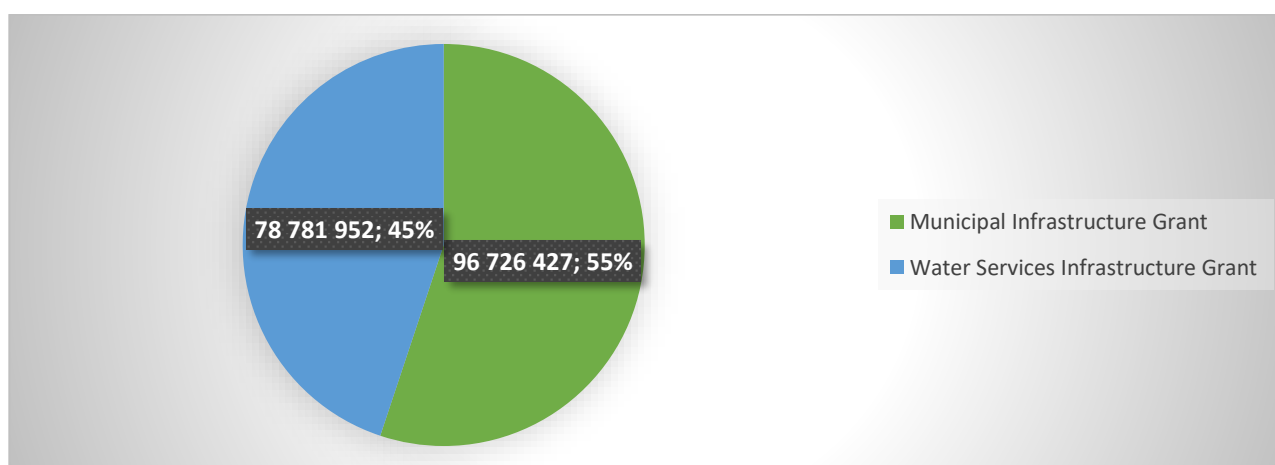
5.6 Grants: Government Grants and Subsidies

The total operating grants revenue for the 2025 financial year amounted to are R 57.423 million excluding the Equitable Share and RSC Levy which amounted to R 389.256 million and R 360.452 million, respectively. The breakdown of the conditional operational grant revenue is as follows:



Graph 9: Operational Conditional Grants

The capital grant revenue for the 2025 financial year was at a total of R 175.508 million it constituted of the following:



Graph 10: Capital Grant Contributions

5.7 Asset Management

	COST	ACCUMULATED DEPRECIATION	CARRYING VALUE
LAND	2 970 350	-	2 970 350
BUILDINGS	71 536 554	-2 443 458	69 093 096
PLANT AND MACHINERY	21 503 898	-7 617 849	13 886 049
FURNITURE AND FIXTURES	6 097 333	-2 734 947	3 362 386
TRANSPORT ASSETS	15 299 092	-3 655 048	11 644 044
IT EQUIPMENT	15 230 784	-5 066 268	10 164 516
INFRASTRUCTURE	3 711 453 680	-1 283 757 298	2 427 696 382
INFRASTRUCTURE WIP	253 107 599	-45 419 325	207 688 274
TOTAL PPE	4 097 199 290	-1 350 694 193	2 746 505 097
INTANGIBLE ASSETS	481 428	-84 669	396 759
HERITAGE ASSETS	4 000	0	4 000
TOTAL FIXED ASSETS	4 097 684 718	-1 350 778 861	2 746 905 857

Table 7: Fixed Assets by Type as of 30 June 2025

The total carrying value of the economic entity's assets as of 30 June 2025 comprises of property, plant, and equipment; intangible assets; and heritage assets. The management of assets is well controlled and managed institutionally. An annual conditional assessment on infrastructure assets was performed. An external service provider was appointed to conduct interval and planned repairs and maintenance on the infrastructure assets.

SPENDING AGAINST CAPITAL BUDGET

5.8 Capital Grants Expenditure

6.	2025			2024		
Grant Description	Allocation	Expenditure	% Spent	Allocation	Expenditure	% Spent
Municipal Infrastructure Grant (MIG)	96 726 427	96 726 427	100%	90 650 000	90 650 000	100%
Water Services Infrastructure Grant (WSIG)	78 781 952	78 781 952	100%	106 245 471	106 245 471	100%
Total	175 508 379	175 508 379	100%	196 895 471	196 895 471	100%

Table 8: Capital Grant Expenditure

In the 2025 financial year, the economic entity spent 100% of all its capital grants.

5.9 Public, Private Partnership

The Municipality had Service Level Agreement (SLA) with the South African National Biodiversity Institute and University of KwaZulu Natal focusing on environmental management and climate change which terminated in September 2023. No new agreements have been entered into.

Component C: OTHER FINANCIAL MATTERS

5.10 Supply Chain Management Processes

The municipality has a centralised supply chain management unit that undertakes to manage all procurement processes. At the commencement of the financial year a procurement plan is prepared and rolled out. All procurement above R200 000 threshold which is in the form of tenders follow the three SCM Committees process of Bid Specification, Bid Evaluation and Bid Adjudication.

5.11 GRAP

The statutory annual financial statements are GRAP compliant. As and when new GRAP standards are released by the Accounting Standards Board they are automatically updated on the CaseWare application used for the preparation of the financial statements.

CHAPTER 6: AUDIT REPORT AND AUDITOR GENERAL'S FINDINGS



Auditor-General of South Africa

**uMgungundlovu District
Municipality**

**Auditor's Report for the year ended
30 June 2025**



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on uMgungundlovu District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the uMgungundlovu District 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, cash flow statement and the statement of comparison of budget with 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 the uMgungundlovu District Municipality as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Material allowance for impairment – Consumer debtors

7. As disclosed in note 4 to the financial statements, consumer debtors were impaired by a total of R1,20 billion (2023-24: R1,12 billion) as the recoverability of these debts was doubtful.

Material water losses

8. As disclosed in note 44 to the financial statements, material water losses of R165,09 million (2023-24: R47,55 million) was incurred by the municipality which represents 46% (2023-24: 36%) of total water purchased/ produced, this loss is outside of the norm of 15% - 30%. The water losses were mainly due to water leakages, illegal connections, faulty meters.

Material losses – bad debts written off

9. As disclosed in note 31 to the financial statements, material losses of R244,28 million (2023-24: R8,29 million) was incurred as a result of a write-off of irrecoverable debtors.

Restatement of corresponding figures

10. As disclosed in note 57 to the financial statements, the corresponding figures for 30 June 2024 were restated as a result of an error in the financial statements of the municipality at, and for the year ended 30 June 2025.

Other matter

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

Unaudited disclosure note

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. 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

15. 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.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Report on the audit of the annual performance report

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

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

Key performance area	Page numbers	Purpose
Basic service delivery	XX	To ensure provision of services in a sustainable manner and measure access to sustainable quality drinking water and sanitation services to customers.

19. I evaluated the reported performance information for the selected key performance area 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.

20. 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

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

22. I did not identify any material findings on the reported performance information for the basic service delivery key performance area.

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

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

25. 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

<i>Targets achieved: 76%</i> <i>Budget spent: 100%</i>		
Key indicator not achieved	Planned target	Reported achievement
Percentage constructed and commissioned uMshwathi Slum - Trusteed Water Supply Scheme Phase 1 (3 valve chambers, 1 PRV meter chambers, 8 connections, 8.9km pipeline testing 1 reservoir water tightness testing)	25% constructed uMshwathi Slum - Trusteed Water Supply Scheme Phase 1 (3 valve chambers, 1 PRV meter chambers, 8 connections, 8.9km pipeline testing 1 reservoir water tightness testing) by 30 June 2025	21% constructed uMshwathi Slum - Trusteed Water Supply Scheme Phase 1 (3 valve chambers, 1 PRV meter chambers, 8 connections, 8.9km pipeline testing 1 reservoir water tightness testing) by 30 June 2025
Percentage constructed Nyamvubu Community Water Supply (Elevated Steel Tanks, package plant and 12km of reticulation with house connections to 128 households)	30% constructed Nyamvubu Community Water Supply (Elevated Steel Tanks, package plant and 12km of reticulation	24,09% constructed Nyamvubu Community Water Supply (Elevated Steel Tanks, package plant and 4,7km of reticulation with house

<i>Targets achieved: 76%</i> <i>Budget spent: 100%</i>		
Key indicator not achieved	Planned target	Reported achievement
	with house connections to 128 households) by 30 June 2025	connections to 128 households) by 30 June 2025
Percentage constructed and commissioned KwaMathwanya Water Reticulation Scheme	100% constructed and commissioned KwaMathwanya Water Reticulation Scheme by 30 June 2025	86.71% construction done and commissioning of KwaMathwanya Water Reticulation Scheme not done by 30 June 2025
Number of KL of water delivered to LM's through water tanker trucks hired and deployed for water delivery	Delivered 329 940 KL water to 6 LM's (Mpofana LM, Umngeni LM, uMshwathi LM, Mkhambathini LM, Richmond LM and Impendle LM) through water tanker trucks hired and deployed for water delivery by 30 June 2025	Delivered 319 702 KL water to 6 LM's (Mpofana LM, Umngeni LM, uMshwathi LM, Mkhambathini LM, Richmond LM and Impendle LM) through water tanker trucks hired and deployed for water delivery by 30 June 2025
Number of Routine and preventative maintenance of equipment and plant according to the maintenance programme for the year for the number of days on Mkhambathini, uMngeni, Richmond, Mpofana, Impendle and uMshwathi	Routine and preventative maintenance of equipment and plant according to the Maintenance programme for the year (Mkhambathini = 48 days, uMngeni = 144 days, Richmond = 240 days, Mpofana=156 days, Impendle = 240 days, uMshwathi = 144 days) by 30 June 2025	Routine and preventative maintenance of equipment and plant according to the Maintenance programme for the year (Mkhambathini = 51 days, uMngeni = 141 days, Richmond = 238 days, Mpofana = 152 days, Impendle = 235 days, uMshwathi = 142 days) by 30 June 2025
Percentage of water losses reduced	Water losses reduced to 30% by 30 June 2025	Water losses reduced to 46% by 30 June 2025

Material misstatements

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

Report on compliance with legislation

27. 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.
28. 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.

29. 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.

30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements on non-current assets, current assets, current liabilities, expenditure, and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R84,50 million, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was due to actual expenditure exceeding the approved adjusted budget for different votes where debt impairment was the major contributing factor to this expenditure.

Procurement and contract management

33. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of supply chain management regulation 22(1) and 22(2).

Revenue management

34. Accounts for municipal charges were not prepared on a monthly basis, as required by section 64(2)(c) of the MFMA.

Other information in the annual report

35. 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 the selected key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.

36. 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.

37. 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 key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. 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

39. 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.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
41. Key preventative controls and diligence around the preparation of the financial statements as well as effective oversight and monitoring over compliance activities were lacking. This is evidenced by the material misstatements and non-compliance identified during the audit.

Material irregularities

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

Status of previously reported material irregularities

Additional costs incurred and paid for partial suspension of projects due to budget constraints

43. The municipality incurred and paid additional expenditure to multiple suppliers due to the partial suspension of works for water projects. This was caused by limited funds available for the infrastructure projects. The lack of proper project planning, including not conducting reasonable assessment of all projects and affordability thereof, resulted in the municipality over committing and failing to meet some of its commitments.
44. The accounting officer failed to comply with section 62(1)(a) of the MFMA which states that the accounting officer of the municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

45. The non-compliance resulted in a material financial loss of R10,39 million for the uMgungundlovu District Municipality. The amount of the financial loss was disclosed in the fruitless and wasteful expenditure note 44 on the 2022-23 financial statements.
46. The accounting officer was notified of the material irregularity on 31 January 2024 and invited to make a written submission on the actions taken or to be taken to address the matter. The following actions have been taken by the accounting officer to resolve the material irregularity:
- A service provider was appointed to investigate whether anyone could be held accountable for the fruitless and wasteful expenditure, and it was concluded that no one was found liable. Based on the investigation report dated 21 August 2023, the municipality has received value for its money in all projects in which the fruitless and wasteful expenditure was incurred and there was no substantial hindrance to public service delivery. In other words, the municipality has not suffered any financial loss, and it follows that there is no expenditure to recover.
 - In a special council meeting held on 22 August 2024, the Council resolved that fruitless and wasteful expenditure is certified as irrecoverable and resolves that it be written-off and an application be submitted to NT to condone non-compliance with the MFMA and/or regulations. Council also resolved that a project management unit that will be responsible for municipal infrastructure grant (MIG) funding for infrastructure projects, coordination of infrastructure projects, project feasibility/business plans, contract/project management, project related capacity building, monitoring and reporting and evaluation, including assessment of the impact of MIG programme be considered by the municipal manager. Council further resolved that the report be submitted to the disciplinary board for further investigation relating to consequence management against any official and to establish whether disciplinary action should be imposed.
 - UMDM disciplinary board report dated 20 May 2025 indicates that the expenditure which prompted the investigation was neither fruitless nor wasteful expenditure. The report further indicates that council resolved that Disciplinary Board further investigates consequence management against any officials and to establish whether disciplinary action should be taken. On the full council resolution dated 26 June 2025 it indicates that the expenditure was irrecoverable and cannot be recovered from municipal officials (or any political office bearer) as they are no longer employees of the municipality.
 - No further fruitless and wasteful expenditure arising from stalled projects was identified. There was improved monitoring and tracking of projects to enable efficient budget utilisation of project funding. There were dedicated resources for the management and reporting on projects on a regular basis and there was no further loss to the municipality.
47. The accounting officer has taken appropriate actions to address the material irregularity, and the material irregularity is resolved.

Failure to implement credit control policy and debt collection policy

48. The municipality failed to comply with section 62(f)(iii) of the MFMA which states that the accounting officer of a municipality is responsible for managing the financial administration of

the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and implements a credit control and debt collection policy referred to in section 96(b) of the Municipal Systems Act No. 32 of 2000.

49. The municipality did not implement the provisions of its credit control and debt collection policy to recover long outstanding debtors' balances. The non-compliance has resulted in a material financial loss of R436,41 million (excl. VAT); R64,04 million and R8,29 million, being written off as irrecoverable in the 2021-22, 2022-23 and 2023-24 financial years respectively.

50. The accounting officer was notified of the material irregularity on 31 January 2023 and invited to make a written submission on the actions taken or to be taken to address the matter. The following actions have been taken, and are planned to be taken, by the accounting officer to resolve the material irregularity:

- The initial plan of updating customer information by the municipal staff was abandoned due to capacity constraints and a decision was later taken to appoint three service providers at the end of June 2024 to perform customer audits and report back to the municipality.
- The municipality is undergoing a data cleansing process for all affected customers to obtain relevant information for the correct application of the credit and debt collection policy. This process includes the assistance of all local municipalities and ward councillors and amakhosi within the district and the process was anticipated to be concluded by 30 June 2025.
- The contracts with the service providers for data cleansing ended in June 2025, after achieving 35 100(thirty-five thousand one hundred) verifications that passed the audit. There were other audits where the property owners' contact details, like email and or cell phone numbers could not be verified and in some areas the verification team could not access the area due to threats from the community. Therefore, the municipality has embarked on phase 2 of the project where the municipality will consider other means of mining the information, through various stakeholders like Eskom, Deeds office and local municipalities. The projected end date for this process is June 2026.

51. I will follow up on the implementation of the planned actions during my next audit.

Other reports

52. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
53. An independent consultant is investigating alleged financial misconduct within the revenue services at the request of the municipality, which covers the period July 2017 to June 2018. The investigation commenced in June 2021 and was still in progress at the date of this auditor's report.

Auditor General

Pietermaritzburg

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 key performance area 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 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)

Legislation	Sections or regulations
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2023	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Audit Action Plan

Legends		
	Resolved	
	Partially Resolved	
	Unresolved	
	To be confirmed	
	Total	

Nature of Audit Query	Audit Query	Recommendation by the AG as per Final Management Letter	Auditor's conclusion as per Final Management Letter	Management Action Plan	Target Date	Person Responsible

1. Tender advertised for less than 30 days	In terms of part 5: appointment from panels the Municipal SCM Procedure Manual, paragraph 5.4.4 for assignments more than R10 million, the advertising period must be at least 30 days. The accounting officer may permit a closure date for the submission of bids, which is less than the 30-day requirement subject to written motivation application to be submitted by the relevant Executive Manager. A) The following tenders which are long-term in nature were advertised for a period of less than 30 days: (For details please refer to the AG Audit report) B) It was also observed that during the initial establishment of the PANEL OF CONTRACTORS GRADES 6-7 Tender No. 29/2024, the advertising period was less than 30 days (19 November 2023 to 13 December 2023), contrary to the requirements of the applicable procurement regulations. Consequently, the above awards result in irregular expenditure and all expenditure relating to these contracts should be disclosed as such in note 46 to the AFS.	Management should perform regular monitoring and supervision to assess the effectiveness of internal controls to ensure compliance with the procurement laws and regulations. Management should disclose the amount in the annual financial statements as irregular expenditure. The proposed adjustment must be submitted for audit together with supporting evidence prior to any adjustment being effected to the AFS	Managements comments are noted and were assessed as follows: Tender 08/2024 The auditors have reviewed the memorandum as approved by the MM. The justification provided for the deviation was "that the existing contract is due to expire end of July, of which this advert needs to be out immediately, in an attempt, to procure the provision of Water Quality Analysis Services as soon as possible". The motivation is not reasonable as it indicates a lack of proper planning by management for a contract whose expiry date was known in advance. Therefore, there was no urgency in reducing the advertisement period. Management subsequently adjusted the AFS for the related irregular expenditure incurred during 2024-25. The adjustment was evaluated satisfactorily and the finding is resolved. Tender 05/2024 Management accepts the finding. The revised irregular expenditure register and disclosure note 46 was assessed for inclusion, adjustment was satisfactory. Tender 20/2023 Management accepts the finding. The revised irregular expenditure register and disclosure note 46 was assessed for inclusion, adjustment was satisfactory. Tender 29/2024: The memorandum approved by the MM provided the following reasons for the deviation:	Irregular expenditure has been recorded on the UIFW register and has been disclosed in the AFS. A BSC Checklist is in place to alert to the planned advert period. A new template to request permission from the Accounting Officer to permit a shorter advert period has been developed. All current tenders advertised for less than 30 days to be submitted to Risk Management / Internal Audit to determine if reasons provided for requesting a shorter advert period are justifiable.	2026/01/31	Manager: SCM Mr. BD Sarawan

			"The user department therefore submits to the accounting officer to consider determining a closing date below the 30 days requirement for Tender 29/2023: To Form a Panel of Contractors for Water and Sanitation Construction Projects for the following reasons: A) For this tender, the service provider should have been appointed before the end of the financial year in 2023 as the existing panel of contractors had already expired. B) Of which this advert needs to be out immediately, in an attempt, to procure Panel of Contractors for Water and Sanitation Construction Projects Providers, initiated with Spending and Service delivery ASAP." The motivation is not reasonable as it indicates a lack of proper planning by management for a contract whose expiry date was known in advance. Where the initial tender was cancelled, the new process is independent of the first advertisement therefore the new advertisement is still required to be for the full 30 days per the legislated requirement. The non-compliance is material and will be reported in the audit report under Report on compliance with legislation. All related expenditure must also be reported as irregular expenditure when incurred.			

2. Customers statements and invoices not issued to customers	MI notification no. 1 of 2022-23 relating to the failure to collect long outstanding debt by the municipality was issued to the accounting officer on 31 January 2023. The accounting officer's response indicated the municipality will perform data cleansing and capture the customer details and finalise the process before end of the 2024-25 financial year. Notwithstanding the above commitment to address the MI, the following customer statements and invoices were not issued to the customers as at 30 June 2025.(For details please refer to the AG Audit report) This results in material non-compliance with section 64(2)(c) of the MFMA.	The municipality should update the customer contact details for them to be able to issue the statements to the customers. The accounting officer should take accountability for the process of data cleansing and hold the responsible officials to account for not adhering to set timelines for the resolution of the long outstanding MI notification no. 1 of 2022-23 as the process has been ongoing for more than two years.	Management comments are noted, the non-compliance is material and will be reported in the audit report under Report on compliance with legislation.	As a proactive measure, all walk-in customers will be required to verify or update their information using a standardized customer update form. The system vendor will be engaged to configure the billing system to enforce the completion of mandatory customer information fields.	Continuously	Revenue Manager Mr J Cele

3. Failure to prevent unauthorized expenditure	As a result of the differences in the budget amounts reported on the AFS, the municipality incurred unauthorized expenditure of R168 667 146,00. The unauthorised expenditure incurred in both the current and prior year (R186 531 936) as disclosed in note 47 to the AFS and resulted from the same transgression being overspending of the budget for both years. Management could have prevented the unauthorized expenditure had they applied stringent budgetary controls to manage the actual expenditure. Consequently, this results in material non-compliance with section 62(1)(d) of the MFMA and will be reported in the audit report.	The budget unit should plan the budget appropriately and implement adequate monitoring of the budget. Budget unit should check for the availability of budget before any expenditure is incurred. Budget unit should review the current plans in place to address recurrence of unauthorized expenditure and ensure that it is well designed and properly implemented to ensure effectiveness.	Management response is noted, however, taking into consideration the auditor's conclusions above, the budget used for the calculations of Statement of budget and actual amounts is not in compliance with section 28 of the MFMA and Municipal budget and Reporting (MBR) Regulation 23. Therefore, the budget as approved in August 2025 is irregular. Management subsequently made the corrections and adjusted the AFS. This was assessed and accepted by the audit team. This, however, results in material non-compliance with section 62(1)(d) of the MFMA and will be reported in the audit report under Report on compliance with legislation.	The municipality has formulated a turnaround strategy aimed at improving financial performance and reducing the debtors' book. This strategy will be implemented and monitored to ensure effective debt management and improved revenue collection. Budget assumptions for the 2020/2021 financial year have been aligned to fully comply with GRAP 17 and GRAP 104. Continuous review of budget assumptions will be undertaken to maintain compliance with applicable accounting standards. A Budget Funding Plan has been submitted to the Provincial Treasury, with a strong focus on revenue enhancement. The plan will be regularly updated to reflect progress and ensure sustainable funding of municipal operations. The Chief Financial Officer is tasked with ensuring that the municipal budget is developed on the basis of realistic revenue projections and expenditure remains strictly within projected income levels to prevent unauthorised spending.	Ongoing	Manager: Budget and Reporting Ms M. P Mkhize Chief Financial Officer Mr V Kunene

4. Repairs and maintenance disclosure misstated	Repairs and maintenance of sewerage services amounting to R91 805 662 (2023/24: R93 092 487) disclosed in note 33 to the AFS as sewerage services was not included in the repairs and maintenance disclosed in note 9 to the AFS under Expenditure incurred to repair and maintain property, plant and equipment. Consequently, the repairs and maintenance of sewerage services disclosed in note 9 to the AFS is understated by R91 805 662 (2023/24: R93 092 487).	Management should ensure that the annual financial statements are reviewed for errors before submission for audit.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA, the non-compliance will be reported in the audit report accordingly.	Enhanced review procedures will be implemented between the Technical Services Department and the Budget and Treasury Office to ensure completeness and accuracy of disclosures. These reviews will be conducted during the preparation of the financial statements to ensure accuracy and completeness of all disclosures. Any discrepancies identified will be corrected prior to submission of the financial statements.	Quarterly	Manager: Budget and Reporting Ms M. P Mkhize HOD: Technical Services Mr J. Dlamini

5. Irregular expenditure understated	The irregular expenditure disclosed in note 46 to the AFS relating to non-compliance with section 33(1) of the MFMA amounting to R84 260 059 for the operation and maintenance of wastewater treatment plants does not agree to the expenditure disclosed in note 33 to the AFS amounting to R91 805 662 (excl VAT). The irregular expenditure of R84 260 059 further excludes R6 879 536,66 which was an accrual at year end. The irregular expenditure is incurred at the earlier of invoice or payment based on the accrual basis of GRAP. Further the R84 260 059 further excludes VAT which is non-compliant with the accounting policy. The R84 260 059 disclosed in note 46 is the actual payments made to UMngeni water Irregular expenditure disclosed in note 46 to the AFS is understated by R21 316 452.	Management should ensure that the annual financial statements are reviewed for errors before submission for audit.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA, the non-compliance will be reported in the audit report.	Quarterly verification exercises will be conducted jointly by the Contracts Unit and the Expenditure Unit, reconciling payment vouchers against the system-generated payments listing to ensure accuracy.	2026/01/31 Quarterly	Manager: SCM Mr. BD Sarawan

6. Incomplete disclosure in terms of GRAP 104	The aging analysis of consumer debtors as disclosed in note 4 to the AFS is not disclosed separately for water, sanitation and interest from outstanding debts as required by paragraphs 104, 105 and 129 of GRAP 104 Additionally, the municipality did not disclose the following for all Receivables from exchange transactions in notes 4, 5 and 6 to the AFS: (a) the exposures to risk and how they arise; (b) its objectives, policies and processes for managing the risk and the methods used to measure the risk; and (c) any changes in (a) or (b) from the previous period.	The CFO, Audit committee and internal audit should improve the review of the completed GRAP checklist against the prepared financial statements to confirm compliance with the GRAP requirements.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA and will be reported in the audit report under Report on compliance with legislation.	The system vendor will be engaged to implement the necessary changes to ensure that figures are produced per service in line with GRAP requirements, with completion targeted by 28 February 2026.	28 February 2026.	Revenue Manager Mr J Cele
7. Receivables from exchange transactions understated	The following difference was identified between the receivables from exchange transactions disclosed in note 4 to the AFS and the debtors age analysis: The above difference arose because the water debtors by ageing does not exclude debtors with credit balances. As a result, receivables from exchange transactions is understated by R13 434 648 in note 4 to the AFS.	The CFO and internal audit should improve the review of the receivables from exchange transactions note to confirm that it agrees to accurate and reliable information, prior to submission for audit. All differences should be reconciled and supported by valid and sufficient supporting documentation.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA and will be reported in the audit report under Report on compliance with legislation	Additional review procedures will be implemented as a control measure to ensure the accuracy of financial figures.	Continuously	Revenue Manager Mr J Cele

8. Prior year receivables from exchange transactions overstated	Paragraph 4 of GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors, "Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that: a. was available when financial statements for those periods were authorised for issue; and b. could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud." The following customers' accounts were corrected in the current financial year because of errors (incorrect billing) in prior years however the corrections only reflect in the current year, the prior period was not adjusted. Consequently, the opening balance for receivables from exchange transactions is overstated by a projected amount of R45 123 784 and revenue for the prior year is understated by the same amount. Additionally, this has an impact on the prior period error note disclosure. (refer to the AG Audit report).	Management should perform an adequate review of the financial statements to ensure that the source of information is accurate and complete and free from errors. Management should investigate the matter above and make the necessary amendments to the financial statements. All proposed adjustments must be provided for audit before the AFS are adjusted.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA, the non-compliance will be reported in the audit report.	Additional review procedures will be implemented as a control measure to ensure the accuracy of financial figures.	Continuously	Revenue Manager Mr J Cele
9. Impairment misstated	The following differences were identified between the impairment indicator and the recalculation of the allowance for impairment; the debtors should have been impaired because there was no formal debt settlement in place no payment made after year end (Refer to the AG Audit report)	• Please provide us with copies of the proposed adjusting journal entries/ proposed adjustments and the supporting documentation. • Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements • If the results of these procedures are satisfactory, we will accept the proposed adjusting journal entries/ proposed adjustments, and you may pass the journal entries/ make the adjustments.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA and will be reported in the audit report under Report on compliance with legislation.	Additional review procedures will be implemented as a control measure to ensure the accuracy of financial figures.	Continuously	Revenue Manager Mr J Cele

10. Incorrect percentage of water losses disclosed	The water loss percentage of 28% amounting to R99 176 801 disclosed in note 44 to the AFS does not agree to the recalculated percentage loss of 33% which exceeds the norm. The disclosed percentage of 28%, resulted in management not disclosing or providing further analysis and explanation to determine the reasons for such losses in accordance with the requirements of MFMA Circular 71 of 2014. Consequently, the water loss disclosed in note 42 is understated by R122 011 334 and the percentage is understated by 35%. In addition, the root causes and explanations for excessive water losses is not disclosed in the note. (Refer to the AG Audit report)	• Please provide us with copies of the proposed adjusting journal entries/ proposed adjustments and the supporting documentation. • Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements. • If the results of these procedures are satisfactory, we will accept the proposed adjusting journal entries/ proposed adjustments, and you may pass the journal entries/ make the adjustments. • Implement adequate plan and procedures to reduce the water losses. • Management should ensure that water losses are reported on regularly and these reports should be reviewed timeously to address all inaccuracies prior to the AFS being submitted for audit.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA and will be reported in the audit report under Report on compliance with legislation.	Monitoring will be conducted on a Quarterly basis to ensure the accuracy of reported water loss percentages. Any discrepancies identified during monitoring will be investigated and corrected promptly to prevent recurrence.	2026/01/31 Quarterly	HOD: Technical Services Mr J. Dlamini
11. Inventory consumed misstated	The following difference was identified between the note 32 Inventory consumed (Reconciliation of Water for Distribution) and our recalculation:(refer to table below)	• Please provide us with copies of the proposed adjusting journal entries/ proposed adjustments and the supporting documentation. • Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements. • If the results of these procedures are satisfactory, we will accept the proposed adjusting journal entries/ proposed adjustments, and you may pass the journal entries/ make the adjustments.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA and will be reported in the audit report under Report on compliance with legislation.	Bulk meters will be installed at critical distribution points to measure water flows accurately this will include raw water abstraction meters to capture supply directly from the source planned for implementation during the 2026/2027 financial year. Data from bulk meters will be reconciled monthly with system records to ensure accuracy. Meter readings will be reviewed monthly and compared against consumption reports to ensure accuracy. The Finance and Technical departments will collaborate through monthly meetings to ensure that all	2026/2027 financial year Monthly Monthly	Manager: Water Conservation and Water Demand Management Mr Z Mchunu HOD: Technical Services Mr J. Dlamini

				discrepancies are eliminated, and the inventory records are maintained accurately.		

12. Commitments understated	A capital commitment is a binding agreement to undertake capital expenditure at some set time in the future which has not yet become an actual liability. An operating commitment is a binding agreement to undertake operating expenditure at some set time in the future which has not yet become an actual liability. Disclosures in the notes to the financial statements are required in respect of unrecognised contractual commitments. Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met. • Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and • Contracts should relate to something other than the routine, steady, state business of the entity - therefore salary commitments relating to employment contracts or social security benefit commitments are excluded 1.The following items were identified on the contract register but are not included in the operating commitments listing:(refer to the AG Audit report). 2.The following items were identified on the contract register but are not included in the capital commitments listing: Consequently operational commitments disclosed in note 40 to the AFS is understated by R69 768 937 and capital commitments is understated by R5 868 801. An operating commitment is a binding agreement to undertake operating expenditure at some set time in the future which has not yet become an actual liability. Disclosures in the notes to the financial statements 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	Management should perform an adequate review of the financial statements to ensure that the source of information is accurate and complete and free from errors. Management should investigate the matters above and make the necessary amendments to the financial statements. All proposed adjustments must be provided for audit before the AFS are adjusted. The commitments schedule should be reviewed by the CFO and internal audit before it is reported on the AFS. Please provide us with copies of the proposed adjustments and the supporting documentation. Once we have received this information, we will perform additional audit procedures to determine whether there are remaining uncorrected misstatements. If the results of these procedures are satisfactory, we will accept the proposed adjustments, and you may make the adjustments	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA and will be reported in the audit report under Report on compliance with legislation.	Introduce a Contracts Variation Register to record and track all contract changes. Prepare a Monthly Contracts Report that includes exception reporting to highlight potential overpayments or unrecorded commitments. This function will remain segregated from the Contracts Variation Register. Require Council approval for all contract extensions or modifications in accordance with Section 116(3) of the MFMA. Enforce mandatory documentation of reasons for all contract extensions or variations prior to approval. Assign responsibility for conducting monthly reconciliations of contract values against payments to ensure accuracy and compliance.	2026/01/31	Manager: SCM Mr. BD Sarawan

	following criteria are met. •Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and •Contracts should relate to something other than the routine, steady, business of the entity - therefore salary commitments relating to employment contracts or social security benefit commitments are excluded. 1.The following projects listed in the commitment register were identified as completed and subsequently transferred to the fixed asset register as completed projects. These projects should not have been included in the capital commitment disclosure note. Any unpaid amounts relating to these projects should be recognized as project savings rather than outstanding commitments. This results in the overstatement of capital commitments in disclosure note 40 by R14 899 320. 2. The following differences were identified on the commitments schedule: This results in capital commitments being overstated by R9 503 520 in disclosure note 40.					

13. Differences in statement of comparison of budget and actual amounts	The budget that was used to prepare the Statement of Comparison of budget and actual as disclosed on the financial statements is the budget that was tabled on the 28 of August 2025 as approved by the council The reason provided by management for this adjustment budget was "Predominantly, the need for adjustment was to ensure the accurate and correct budget misalignment that was discovered during MSCOA budget roadmap" which was not tabled in council timeously in accordance with MBR regulation 23(1) as the adjustment budget was only tabled in May 2025. As a result, the following budget differences were noted: Consequently, this results in unauthorised expenditure as follows:(refer to the AG Audit report). The net result is unauthorised expenditure of R168 667 146 which has not been reported on the AFS.	Management should ensure that the annual financial statements are reviewed for errors before submission for audit.	Management response is noted, however, MFMA section 28(4) takes note of the prescribed limitations as to timing or frequency of the adjustment budgets and the conditions that apply to each. The final adjustment budget as approved on 28 August 2025 was to ensure the accurate and correct budget misalignment that was discovered during MSCOA budget roadmap. This adjustment falls under section 28(2)(f) of the MFMA which should have been tabled by 28 February 2025 Additionally, in terms of Municipal budget and Reporting (MBR) Regulation 23, "Only one adjustments budget may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget." The last adjustment budget as approved in August 2025, was not because of the reallocation of funds to the municipality. Therefore, the budget as approved in August 2025 is irregular. This, however, results in material non-compliance with section 122(1) of the MFMA, the non-compliance will be reported in the audit report accordingly.	Management will ensure that all adjustment budgets are prepared, tabled, and approved strictly within the prescribed financial period as outlined in MFMA Section 28(4). Any adjustment budget required to correct budget misalignments will be tabled by 28 February of the financial year, in line with MFMA requirements. The Budget and Treasury Office will monitor compliance and provide early alerts to management on approaching deadlines.	Ongoing	Manager: Budget and Reporting Ms M. P Mkhize
14. Misstatements on the cash flow statement	The following differences were identified on the cash flow statement (CFS): (refer to the AG Audit report)	• Management should review the Cash Flow statement. • The cash flow statement should be adjusted where applicable.	Management note the finding However, In terms of GRAP 2, The Finance cost is disclosed correctly in the Income statement and cash Flow. Under Cash from operating activities, The municipality disclose only Activities that are not investing or financing activities. Under Cash from Financial activities, Activities that derives from other	Reinforce the monthly reconciliation process by ensuring that cash flow statements, bank reconciliations, and general ledger balances are cross-checked and aligned. Line managers in Finance will ensure timely	Monthly	All Finance Managers

			investments not included in cash and cash equivalents. ie The amount of R6 400 derives from interest paid from operating activities and R15,197,810 derives from interest paid to non-current borrowings (Financing Activities). Other Receipt is also correctly accounted for in terms of Grap 2 guidelines on presentation on cash flow. The municipality has added revenue from exchange transactions and revenue from non-exchange transaction, Less Non cash adjustments in gross balances then add Closing balances.	reconciliations and adherence to protocols.		

15. Water Services Infrastructure Grant	The total amount of Water Services Infrastructure Grant (WSIG) spent of R100 000 000 was recognised and disclosed as capital grants in both the Statement of financial performance and corresponding note 23 to the AFS. However, the WSIG includes R21 218 049 which relates to the acquisition of VIP toilets which is operational in nature. This portion should have been recognised as operating grants (non-exchange revenue) in note 23 instead of capital grants Consequently, the Operational grants under Government grants and subsidies disclosed in note 23 to the AFS is understated by R21 218 049 and the WSIG capital grant is overstated by the same amount.	Management should ensure that the annual financial statements are reviewed for errors before submission for audit.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA, the non-compliance will be reported in the audit report.	The grant register will be enhanced to clearly distinguish between capital and operational expenditure components of grants. Monthly reviews of the grant register will be conducted by the Budget and Treasury Office in collaboration with the relevant service departments. These reviews will specifically verify the nature of expenditure (capital vs. operational) to ensure accurate recognition and disclosure in line with GRAP requirements.	Monthly	Manager: Budget and Reporting Ms M. P Mkhize

16. Nature of related parties not disclosed in related party note	Paragraph 34 of GRAP 20- Related Party Disclosures, states that where a reporting entity is exempt from the disclosures in accordance with paragraph .32 the entity shall disclose narrative information about the nature of the transactions and the related outstanding balances referred to in paragraph .27 to enable users of the reporting entity's financial statements to understand the effect of related party transactions on its financial statements. The nature of key management personnel and remuneration of councillors is not disclosed in the related party disclosure in note 42 to the AFS. Consequently, this results in the misstatement of the reported related parties note in the financial statements	Management and internal audit should perform adequate reviews on the financial statements to ensure that the reported financial information is accurate and complete.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in a material non-compliance with section 122(1) of the MFMA, the non-compliance will be reported in the audit report.	Financial statement review controls will be strengthened, including secondary and independent review of disclosure notes.	30-Jun-26	Manager: Budget and Reporting Ms M. P Mkhize Chief Financial Officer Mr V Kunene
17. Incomplete disclosure of employee benefit obligation	Disclosure note 37 to the AFS: Employee Benefit Obligations does not account for the Long Service Award in determining the Net expense recognized on the Statement of Financial Performance; and in calculating the Changes in the fair value of plan obligations Furthermore, the comparative amount disclosed for changes in the fair value of plan obligations excludes the prior-year movements related to the Long Service Award. Consequently, disclosure note 16 is misstated as follows: (refer to the AG Audit report). In addition, disclosure note 16 to the AFS: Provisions does not agree to the valuation per the actuarial expert: Consequently, disclosure note 16 is misstated as follows: (refer to the AG Audit report).	Internal audit and management should perform detailed reviews of the notes to the financial statements and ensure that disclosures and narrations are accurate and complete. All differences should be reconciled and supported by valid and sufficient supporting documentation.	Management has made the corrections and adjusted the AFS, the audit team has assessed and accepted the corrections made by management. This, however, results in material non-compliance with section 122(1) of the MFMA, the non-compliance will be reported in the audit report.	Management will strengthen reconciliation and review controls over employee benefit disclosures.	31-Mar-26	Manager: Budget and Reporting Ms M. P Mkhize Chief Financial Officer Mr V Kunene
ANNEXURE B: Matters that should be addressed to prevent material misstatements in the AFS or APR						

18.Tender for panel establishment advertised for less than 30 days	In terms of part 5 appointment from panels the Municipal SCM Procedure Manual, paragraph 5.4.4 for assignments more than R10 million, the advertising period must be at least 30 days. The accounting officer may permit a closure date for the submission of bids, which is less than the 30-day requirement subject to written motivation application to be submitted by the relevant Executive Manager. The following tender for more than R10 million was advertised for a period less than 30 days. Furthermore, no written justification or approval for this deviation was provided by the accounting officer, as required by SCM regulation 22. (refer to the AG Audit report). Consequently, the award results in irregular expenditure and should be disclosed as such on the AFS.	Management should perform regular monitoring and supervision to assess the effectiveness of internal controls to ensure compliance with the SCM regulations. All non-compliance relating to this finding should be quantified and reported as irregular expenditure. The proposed adjustment together with all supporting evidence should be provided for audit prior to any adjustment being effected.	Managements comments are noted, accordingly a significant internal control deficiency will be reported in the management report.	A BSC Checklist is in place to alert officials to the planned advert period. A new template has been developed to request Accounting Officer approval for shorter advert periods. All tenders advertised for less than 30 days must be submitted to Risk Management/Internal Audit to assess whether reasons provided are justifiable. Annual procurement planning must be aligned to the SDBIP and budget cycle to ensure sufficient lead time for tenders. Departments are required to submit procurement requests at least 90 days before anticipated project start dates. A minimum 30-day advertising period is mandated for all competitive bids, except where genuine emergencies are substantiated and approved by the Accounting Officer. Emergency deviations must be documented with clear justification, verified by Internal Audit, and supported with evidence. A dedicated SCM official will maintain a procurement plan tracking tool to monitor tender timelines against the procurement plan. Adherence to procurement timelines will be included in	2026/01/31	Manager: SCM Mr. BD Sarawan

				performance agreements of responsible managers and HODs		

19. Lack of rotation of suppliers on panels	Municipal SCM regulation 18(b) and (c) requires that, "A supply chain management policy must determine the procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, and must stipulate that when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers, including by inviting providers to submit quotations on a rotation basis; and that the accounting officer must take all reasonable steps to ensure that the procurement of goods and services through written or verbal quotations or formal written price quotations is not abused. In terms of section 112(2) of the MFMA: The regulatory framework for municipal supply chain management must be fair, equitable, transparent, competitive and cost-effective. In terms of part 5 the Municipal SCM Procedure Manual, paragraph 5.4.4, the TOR should be sent to a minimum of 3 panel members within the elected panel/work stream within a panel on a rotational basis. The municipality established Panel 15/2023 – Rudimental Boreholes Water consisting of 12 approved service providers however invitations to quote were only issued to the following four service providers for three different awards: 1. Mathonsi Investments T/A Dudula Civils 2. Jade Star Trading T/A Electric & Pump Services 3. IPee 4 Eem Construction & Projects CC 4. Siyanda and Ayabonga Trading Enterprise T/A Indoni Yamanzi This indicates that the principle of equitable rotation — which is intended to ensure fair and transparent distribution of work among all panel members — has not been consistently applied. There are still panel members who have not yet been invited to quote, while others have been allocated multiple opportunities (more than one award) resulting in the same service providers being awarded more than once. This imbalance	Management should perform regular monitoring and supervision to assess the effectiveness of internal controls to ensure compliance with the procurement laws and regulations.	Management's comments are noted. On evaluation of the additional information provided by the auditee relating to projects awarded in the prior financial year, it was confirmed that all suppliers were afforded an opportunity to submit quotations. However, not all suppliers were invited equally. Notwithstanding this, the procurement process cannot be considered fair, as certain suppliers were afforded multiple opportunities to quote, resulting in repetitive awards to the same service providers. This practice indicates a lack of equitable treatment among suppliers and is inconsistent with the principles of fairness and competitiveness as prescribed by applicable supply chain management regulations. The following suppliers were last afforded an opportunity to quote in the prior year 2023/24: • Thoka Geosciences Pty Ltd • Tarcron Projects Pty Ltd This non-compliance will be reported in the management report.	A rotation system for panels has been developed and submitted to the Accounting Officer for consideration. The system is to introduce a a formal rotation system based on fixed preset "blocks" for inviting suppliers to quote, ensuring equal opportunity across the panel. Maintain records of invitations issued to demonstrate fairness and transparency. Dedicated SCM official to track supplier invitations through a centralized register. Ensure all suppliers on the accredited list are invited on a rotational basis, preventing repeated preference for specific suppliers. Risk Management/Internal Audit to review rotation records quarterly to confirm equitable treatment. Update SCM policy/procedure manual to explicitly require supplier rotation and equitable invitation practices. Communicate the revised policy to all departments and suppliers to ensure transparency.	2026/01/31	Manager: SCM Mr. BD Sarawan

	undermines the principle of fairness in procurement processes and is exposing the municipality to risks of non-compliance with the MFMA. (refer to the AG Audit report). Suppliers from the panel were not invited to quote on a rotational basis in accordance with the SCM Procedure Manual.					

20. Contract was extended two times	Appointment letter dated 28 January 2021 The Installation of Pre-Cast Concrete VIP Toilet Units (uMgungundlovu) for the uMgungundlovu District Municipality be awarded to Soundrite Construction and Plant Hire (Pty) Ltd for an amount of R17 082,59 per unit for the construction of +1,620 toilet units at a total cost not exceeding R27 673 795,80 over a period not exceeding 36 months. Council approved the following extensions for two times however no justifiable reasons were provided for not appointing another contractor after Soundrite exceeded the contract amount of R27 673 795,80.(refer to the AG Audit report).	The accounting officer should effectively put measures to ensure SCM processes are fair and competitive to other service providers who can provide municipal services	Management's comments are noted. However, management has stated that "the additional allocations referenced in the finding do not represent formal contract extensions, but rather approved scope increases implemented at the originally tendered unit rates." Based on the review of the contract documentation, the contract commenced on 28 January 2021 and was set to end on 28 January 2024. Evidence indicates that the contract was formally extended to 30 June 2024, and subsequently to 30 September 2024. These extensions contradict management's assertion, as they constitute formal contract extensions. Therefore this finding remains unresolved and the internal control deficiencies will be reported in the management report.	The contract was extended once only, but the Auditor-General raised a finding due to changes in quantity which was done during the contract term. Future amendments will explicitly distinguish between contract extensions and quantity adjustments to prevent similar audit findings. Additional all rate-based contracts receiving additional allocations will be amended through signed addenda or variation orders.	Ongoing	HOD: Technical Services Mr J. Dlamini

21. No performance agreements signed by municipal staff (excluding senior managers)	It was confirmed that municipal staff had not entered into and signed performance agreements for the 2024-25 financial year. This was only done for the municipal manager and senior managers. Consequently, without signed performance agreements, it becomes difficult to hold employees accountable to meet specific objectives, as there is no formal documentation of expected performance standards. Furthermore, this results in non-compliance with Municipal Staff Regulation 35.	Management should expedite the process of drafting and finalising performance agreements for all staff members across all levels. Ensuring timely signing of these agreements will promote accountability, clarify performance expectations, and support effective monitoring and evaluation in line with the organisation's performance management framework.	Managements response has been noted. Given that the implementation of the above process was not implemented for the 2024/2025 financial year, it constitutes non-compliance as detailed in the finding above. Accordingly, the finding remains unresolved and will be reported in the management report.	The Individual Performance Management System has been cascaded to line managers for implementation in the 2025–2026 financial year. To support this process, SALGA hosted a workshop for coordinators and officers on 25 and 26 November 2025, aimed at preparing employees to participate in the Individual Performance Management System.	01-Apr-25	PMS Manager Ms P Luhabe

22. Wastewater treatment works	The following non-compliance was noted on the wastewater management function of the municipality: 1. No valid operating license for Mooi River and Cedara wastewater treatment works The Mooi River and Cedara Water treatment works do not have a valid operating license for the period under review as required by section 22(1)(b) of the National Water Act and sufficient appropriate evidence whether the wastewater treatment works had a valid operating license could not be provided. 2. Process controllers and superintendents not registered professionally The process controllers and the super intendents who are Class V are not registered professionally under WISA as per regulation 3630 of the National Water Act. The process controllers and super intendents in all of the wastewater treatment works have valid qualifications, experience and certificates and are eligible to register. However, the registration deadline date of 30 June 2025 was not met after a 24-month window period was provided when the requirement came into effect in 2023 for the people that already held certificates. 3. No structured complaints system in place The uMgungundlovu District Municipality does not have an organized, centralized and structured complaints system in place. Through enquiry with relevant staff, it was established that the call centre logs incidents and queries from the public and the Environmental Health Department/Services has manual complaints files which are maintained at the various local municipalities rendering consolidation and verification of completeness of these complaints challenging. Additionally, the risk identification and areas of focus is not easily identifiable so that appropriate action and corrective measures can be implemented	Management should ensure there is proper follow-up on applications for the license application that is progress and for any future wastewater treatment works that will be operational ensure licenses are applied for and obtained before they operate Management should form an established complaints department and system for managing of public complaints Management should ensure that there is a team that keeps track of requirements per regulations/legislations and their deadlines.	Management comments have been noted. The control deficiencies will be reported in the management report and followed up in the next financial year.	<u>Mooi River WWW</u> The District Municipality will request regular progress updates from UUW to monitor the status of the Water Use Licence application submitted by UUW to the Department of Water and Sanitation (DWS). <u>Cedara WWW</u> UMDM will evaluate options for the future of Cedara WWTW, including the construction of a new wastewater treatment works or the installation of a pump station and rising main to convey sewage to Howick WWTW, taking financial implications into consideration. UMDM will also request DWS to verify whether a Water Use Licence for Cedara WWTW exists in their archives. <u>Process Controllers registration as professionals</u> The District Municipality will request regular progress updates from UUW on the professional registration of process controllers to effectively monitor the status of their registration.	30-Jun-26	HOD: Technical Services Mr J. Dlamini

23.Overreliance on water tankers	The uMgungundlovu District Municipality distributes water through its own water tankers and through outsourced water tankers. Owned water tankers It was not possible to determine if water tankers owned by the municipality are being effectively utilized as: • The municipality does not maintain records of actual delivery of water by the water tankers to the intended area. A security register indicating that the tanker did collect water was in place and does provide confirmation that the water was collected. • The following water tankers that were purchased on 26 March 2024 were not fully utilised per the records from the security register. There were no other records indicating that these trucks were utilised any day before the dates recorded below. Outsourced water tankers a) The municipality incurred R68 448 897 on outsourced water tankers, whereas, if water was supplied directly to consumers it would cost approximately R3 714 044 as per the table below: b) Insufficient evidence was provided to confirm that the tankers are being utilised effectively during the day. The following deficiencies were noted: • The report prepared by the driver during the day is only signed by the municipal official once a week. • There is a tracking device on the water tanker, however the tracking device does not correctly/accurately reflect the coordinates of the truck to confirm where the deliveries were made. • The truck driver signs the register at the reservoir capturing the odometer reading and water meter reading however no checks are done to confirm that the information captured by the driver is accurate. Root causes for utilizing water tankers as communicated by management included the following: • No water infrastructure to support delivery of water to affected communities • Water projects are in the process of being	The municipality should adopt and implement a permanent solution for the provision of water services to the community of uMgungundlovu District. Management should also consider investing in their own water tankers to service the communities within the district	Management comment noted, the finding to be followed up next financial year	Gather records of current water tanker demand and usage patterns. Assess frequency, routes, and areas serviced. Identify gaps, inefficiencies, or overutilisation. Present the final report to Council for review, discussion, and adoption of recommendations.	30-Apr-26	HOD: Technical Services Mr J. Dlamini

	implemented resulting in a temporary cut-off of supply • Damage to water infrastructure - including unplanned repairs and maintenance required • Insufficient water supply (water scheme exists but water is not sufficient to cover the whole community). Table below includes the municipalities and reasons for using water tankers in these areas: It was further noted that even though there is infrastructure and connections in some areas, water is still distributed through water tankers: • The Echibini area with household connections under Mkhambathini Local Municipality receives water through water tankers however the Maqongqo reservoir is estimated to be about 3kms away and piped water has not been provided for over five years. • The Emashengeni reservoir 2 is approximately 2km away the Kwahhaza area (Umgenti Municipality where households are connected but have not had piped water for more than 6 months.					

24. Water losses above the norm	Water losses ratio Purpose/ Use of the Ratio The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water. Formula (Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100. Norm The Norm is between 15% and 30% Interpretation of Results A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm, it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed. Commercial losses or apparent losses include unauthorized consumption (theft or illegal use), and all technical and administrative inaccuracies associated with customer metering. If commercial losses are reduced, more revenue is generated by and for the water utility. Real losses are the physical water losses from the pressurized system, up to the point of measurement of customer use. If real losses are reduced, more water is available for distribution to customers, or the total system input volume is reduced. In most cases, real losses represent the unknown component in the overall water balance. Therefore, the purpose of most water balance models is to estimate the magnitude of real losses so that the water utility can gauge whether it has a serious leakage problem. Real losses are calculated as the difference between total losses and estimated	Management should ensure that water losses are investigated and monitored throughout the financial year and adequate steps should be taken to reduce the losses.	Management response noted, the issues causing water losses listed above as per the action plan provided by management has not responded whether they were addressed or any actions to address those issues. The finding will be followed up in the next audit cycle.	Investigate and monitor water losses throughout the financial year in order to reduce the losses. Upgrade aging infrastructure by replacing asbestos pipes with PVC alternatives Implement a comprehensive leak detection and repair program Remove illegal connections and expand installation of prepaid meters	The action plan is scheduled for 2025/2026, with full implementation to be rolled out progressively over the following years.	HOD: Technical Services Mr J. Dlamini

	commercial losses. The recalculated percentage for water losses of 46% (2023-24: 36%) exceeds the norm (15%-30%) of 46% (2023-24:36%) (refer to the AG Audit report). The municipality has an action plan to address the water losses which indicate the following as key challenges however this has not been implemented to address the water losses (page 73 of action plan): • Knowledge of the infrastructure is limited to a few individuals. GIS information is limited and not updated. There are motivated individuals within the GIS unit but there is a lack of support to help the unit grow. • Insufficient funds to refurbish infrastructure that in some cases are more than 30 – 50 years old. • Water Loss Management has not been implemented simply due to lack of resources, budgets, human resources, and priorities being routine operations functions. • There is minimal or no bulk or zonal metering in the towns and townships • Certain towns are in high need of Pressure Management interventions. They have high- and low-pressure systems which often are connected due to negligence by the operators. Lack of operating rules and systems have contributed to the existing water loss problem getting worse due to water surges and transients. • Most of the rural water schemes are providing free water through standpipes and there is no cost recovery via consumers but the cost for the schemes is being paid from the equitable share. • There is an insufficient budget provided for standby equipment which often results in extended downtime. The highest contributor of water losses is the real loss, which is from the pressurized system, up to the point of measurement of customer use. up to the point of measurement of customer use. The action plan also indicates that the following activities are recommended for specific interventions concerning the Real Losses (page 74 of action plan): • Active Leakage Detection • Inspection (and sounding when needed) of all water mains, reticulations and connections on a					

	twice-yearly basis. • Metering of individual pressure zones and online monitoring of the same, with alarm levels pre-set • Continuous and intermittent night flow analysis • Identification of operation of the systems • Temporary placement of leakage detection equipment and /or loggers • Force repair programme of internal leaks. The following activities are recommended for specific interventions concerning the Apparent Losses (page 73 of action plan): • Investigate all properties that have not been registered/legally connected – these are probably illegally connected. If found, legalize connection, install meters and bill. • Monitor zone meters frequently to pick illegal connection volumes. • Conduct a pilot project on consumer meters that are 5, 10, 15 years old and older to determine their accuracy levels. • Preparation of a schedule of replacing all faulty meters. Management indicated that the action plan has not been implemented in the current financial year and will be implemented next financial year due to budget constraints.					

25. No transfer of skills by VAT consultants	The following consultant was appointed by the municipality on 29 October 2021 to perform VAT review and recovery services for the municipality. The conditions or clauses for transfer of skills were included in the contracts.(refer to the AG Audit report) • The consultant was appointed to perform work of a permanent/continuous nature for which qualified and experienced personnel exist within the municipality (i.e. the CFO and other finance managers have all the necessary qualifications and experience to perform VAT-related work). • There is no evidence that the municipality has a plan to capacitate the finance unit in order to reduce overreliance on consultants. • There is no formal tracking or monitoring of the transfer of skills to the municipality that is documented and evaluated. There were no terms of reference that specifically reflect the nature, scope, objective and goals of the training program within the SLA between the consultants and the municipality. • The consultant was reappointed following the SCM processes in the 2024-25 financial year indicating that there was no transfer of the skills provided on the previous contract.	Management should ensure that transfer of skills is monitored and formally documented to ensure that reliance on consultants is reduced.	Management comment noted, no evidence of transfer of skills provided to auditors, the finding will be followed up next financial year	VAT trainings are already been provided by the service provider; however, we will request hands-on (hand-holding) trainings from the service provider to ensure effective skills transfer.	31-May-26	Acting Expenditure Manager Ms P Dlamini

26. No system in place to monitor or restrict water consumption beyond 6kl of indigent households	The following is an extract of the council meeting held on 14 April 2025: "Councillor HM Lake then enquired as to what the protocol is if an individual listed on the indigent register consumes more water measured in kilolitres than their allocated limit. In response thereto, the Acting Municipal Manager clarified that the municipality currently does not have a system in place to monitor or restrict water consumption beyond the allocated limits for individuals on the indigent register. Therefore, if an indigent household tends to use more water than the prescribed limit, the extra use must be paid for. It was noted that the municipality wrote off the balance owing by indigent customers of R244 280 342 in accordance with paragraph 5.1.1 of the debt write-off policy quoted above. It was however noted that the municipality does not have a system to restrict water for indigents to ensure that they do not consume in excess of the 6kl allocation and to avoid excessive amounts to be written off as irrecoverable. The following serve as examples of indigent customers' consumption of water per the approved tariff of R26,74 which equates to R160 including VAT per month for 6kl. (refer to the AG Audit report).	Management should implement systems to monitor or restrict water consumption beyond the allocated limits for individuals on the indigent register to limit water usage since these customers cannot pay for the excess water and the amount will have to be written off as irrecoverable.	Management comments have been noted. Auditors will follow-up in the next audit cycle on the implementation progress of the action plan.	Review the indigent policy to clearly state the overuse majors to be taken by the municipality	01-May-26	Manager: WSA Ms N Mthethwa

27. Equitable share as per DoRB allocated for indigent does not agree to budget and spent indigent allocation	The municipality was allocated R347 957 964 for the provision of free basic services to poor households from the local government equitable share calculation.(refer to the AG Audit report) The municipality budgeted and spent the following:)(refer to the AG Audit report)	Management should implement a process to regularly reconcile the National Treasury components to the municipal indigent register with the list of indigent beneficiaries to ensure alignment and that eligible individuals receive the benefit. Management should ensure that the indigent register is periodically reviewed to verify the ongoing eligibility of beneficiaries, with evidence of these checks documented and retained. The municipality should raise awareness for the relief available to indigent households and the application process within the community. The municipality should include the approved indigent customers from its local municipalities.	Management comments have been noted. Auditors will follow-up in the next audit cycle on the implementation progress of the act.	1. Quarterly external verifications of the indigent register 3. Community awareness programs are ongoing 4. Ongoing liaising with the local municipalities is underway	May 2026 Ongoing (May 2026)	Manager: WSA Ms N Mthethwa

28. Indigent support may be provided to the individuals/households who were not approved for indigent support	Through the use of computer assisted audit techniques (CAATs), a number of indigents were identified on the indigent register that do not meet the criteria to be indigent. A – Deceased individuals The following deceased individuals are included on the indigent register as identified through CAATs and the new occupants of the properties previously occupied by the deceased indigents, did not apply for indigent status: (refer to the AG Audit report) The following indigents were in the employ of one or another government department or organisation. C– Indigents with interest in suppliers of government and/or municipalities The following indigents have an interest in suppliers of government and/or municipalities(refer to the AG Audit report). D – Spouses of Indigents in the employment of one or another government department or organisation The following indigents have an interest in suppliers of government and/or municipalities: (refer to the AG Audit report)_ F – Spouses of indigents that have an interest in suppliers of government and/or municipalities The following spouses of indigents have an interest in suppliers of government and/or municipalities. (refer to the AG Audit report) E – Indigents older than 100 years The following Indigents are older than 100 years:(refer to the AG audit report) As a result, indigent support may have been provided to the individuals/households who were not approved for indigent support in accordance with the municipality's Indigent Policy. Consequently, the revenue forgone is overstated by R257 988 and revenue is understated by the same amount.	The CFO should exercise proper oversight and ensure that the indigent register is accurate.	Management comments have been noted. Auditors will follow-up in the next audit cycle on the implementation progress of the action plan.	The Municipality is actively working on securing funds to enable external verifications. This step will strengthen oversight and ensure independent validation of processes. The indigent policy is currently under review. The revised policy will include clear guidelines regarding: -Deceased estates -Overuse controls The indigent application form has been updated to capture crucial information. The form now includes a dedicated section for updating information, ensuring inclusivity and accuracy.	30-Apr-26	Manager: WSA Ms N Mthethwa

29. Maintenance of Cedara Water Treatment Works	A site visit to the Cedara Wastewater Treatment Works on 1 October 2025 indicate that reasonable measures were not taken to prevent significant pollution and degradation of the adjacent environments as required by section 28(1) of NEMA and section 19(1) of NWA. It was found that the plant was severely damaged and not in good working condition. The community of RDP houses in Ekhasa Village connected to this non-working/operating wastewater treatment plant. It was also noted that the plant does not have an operating licence. The plant was overflowing as per the picture depicted below. There was no evidence to confirm that this plant is being maintained by the district. This was confirmed through inspection of supporting evidence for the following indicators on the annual performance reports for the 2023-24 and 2024-25 financial years relating to repairs and maintenance of municipal infrastructure. TEC28: Number of Routine and preventative maintenance of equipment and plant according to the maintenance programme for the year for the number of days on Mkhambathini, uMngeni, Richmond, Mpofana, IMpendle and uMshwathi. TEC34: Percentage of Wastewater Works with overall wastewater quality compliance When untreated or inadequately treated wastewater is discharged into the surrounding environment, the pollution impacts the environment and health of the users that are dependent on contaminated water resources (i.e. surface water, water course or groundwater) whether it is used for consumption by humans, for domestic or recreational purposes. It can result in multiple water borne diseases and therefore can have a detrimental impact on the health of the community. The continued discharge of non- and or improperly treated effluent directed into the	The Cedara Wastewater Treatment Works should be accounted for in the FAR and management should plan and budget for the maintenance of this asset to ensure that it is in good working condition. Wastewater Treatment plants should be managed, maintained, operated, monitored (and safeguarded) to effectively treat wastewater, ascertain compliance with effluent disposal standards (and legislative practices) and limit any pollution to the receiving environment.	Management's comments are noted. In the absence of written arrangements for the maintenance responsibilities of the plant between UMDM and Department of Agriculture and Rural Development, it falls on the district as the owner of the plant to ensure that the plant is secured and maintained. In addition, a letter from the head of department of the Department of Agriculture and Rural Development (DARD), dated 24 May 2021, confirms that DARD will not be in a position to pay in relation to Khanya village as the donation of the plant to the district had come into effect. Furthermore, UMDM accepted the donation of the property from uMngeni Municipality in February 2019. Paragraph 5 of the Deed of Donation states that the Donor shall not be liable for any defects, latent or patent in respect of the property which means that from the time of donation, UMDM was liable for the property. In light of the above, UMDM has control of the property and is solely responsible to manage, maintain, operate, monitor and safeguard it to effectively treat wastewater, ascertain compliance with effluent disposal standards (and legislative practices) and limit any pollution to the receiving environment. This matter will be reported in the management report and investigated further to determine whether there is any potential harm to the communities residing near the Cedara Wastewater Treatment Works	UMDM will conduct regular monitoring visits to the Cedara Wastewater Treatment Works and coordinate with Department of Agriculture to ensure continued ground maintenance and removal of screenings. UMDM will request quotation to install appropriate channeling around the biofilter to control effluent seepage and direct flows into a single discharge point, including the installation of a chlorination unit for disinfection prior to discharge into the wetland. The Municipality will continue monitoring water stream below Cedara WWW to ensure continued water quality compliance.	2026/06/30 31 March 2026 Ongoing	HOD: Technical Services Mr J. Dlamini

	UMngeni river is a major concern affecting the river water quality as well as all living next to or in close proximity to the river. It was further noted that the matter was reported in media articles, but no evidence could be provided that the municipality has taken any action to avoid/prevent possible harm to the public.		resulting in a material irregularity.			

30. Cedara Water Treatment Works not included in the fixed asset register	UMngeni Municipality council resolution dated 15 June 2016 reflects that the Cedara Water Treatment Works was donated to uMgungundlovu District Municipality on 15 June 2016. In terms of the Deed of donation entered into by UMngeni Local Municipality (signed by CG Gumbi - acting municipal manager on 16 June 2016) and uMgungundlovu District municipality (signed on 28 June 2016 - name of the signatory not included on the deed of donation). It was noted that this water treatment works meets the definition of an asset and was obtained through a non-exchange transaction (donation) however this is not included in the fixed asset register of the uMgungundlovu District Municipality. Consequently, property, plant and equipment and the related depreciation are understated by an amount that could not be confirmed in the absence of costing details.	The proposed adjustments to the AFS together with supporting documentation and journals should be provided for audit prior to any adjustments being affected Management should ensure that all the assets under the control of the district are included in the fixed asset register.	The Municipality has performed the conditional assessment for the Cedara wastewater treatment plant and updated the Fixed Assets register and Annual Financial Statements.	The asset has been subsequently included on the Fixed Asset register.		
31. Appelsbosch Water Treatment Works not included in the fixed asset register	The assessment of control is assessed as follows: • Based on the Wastewater agreement between uMgungundlovu District Municipality and Umgeni Water signed on the 6 and 8 July 2015, Appelsbosch has been disclosed as one of the facilities owned by the district municipality that Umgeni shall operate, manage and maintain for the agreed period of 20 years. • The terms and conditions per the agreement clearly stipulate that Umgeni Water shall not make any alterations or remove structures without prior written consent of the District Municipality. This confirms that the District Municipality has control over the asset • All of the risks remain vested in the District Municipality and Umgeni Water shall only be liable for damages attributed to their own negligence. This emphasises that the risks are borne by the district municipality due to them owning/controlling it. • The assets are being used to deliver services of sewerage and sanitation in line with the district municipality's responsibility and the District Municipality also receives rewards by means of revenue from the charges for sewerage and sanitation services. • This asset appears in the 2022 and 2023 Green	The proposed adjustments to the AFS together with supporting documentation and journals should be provided for audit prior to any adjustments being effected Management should ensure that all the assets under the control of the district are included in the fixed asset register.	Management notes the findings The Appelsbosch Wastewater Treatment Works. The Municipality has performed the conditional assessment for the Cedara wastewater treatment plant and updated the Fixed Assets register and Annual Financial Statements.	To identify all wastewater treatment works (WWTWs) that are not fully functional and develop a prioritized list of required repairs. To initiate and complete applications for all required licenses for wastewater treatment works to ensure full regulatory compliance. Review of the budget to ensure the funds are secured and allocated to address the repair and rehabilitation needs of these plants.	2026/06/30	HOD: Technical Services Mr J. Dlamini

	drop report and Green drop Progress report as well as the compliance reports for the district received from Umgeni Water. These reports were submitted as supporting documents for the audit of the Wastewater treatment works. In addition to the above reports, the General authorization (which included the Appelsbosch Wastewater treatment works) was inspected and this allows for certain water use activities. • The municipality is responsible for the maintenance of this wastewater treatment works. - o A maintenance agreement was entered into with Umgeni Water in 2015 for various wastewater treatment works including Applesbosch. - o Umgeni Water was appointed to operate, manage and maintain the Applesbosch wastewater treatment works on behalf of the municipality. - o The following payment was made to Umgeni Water for the services provided on the Appelsbosch Wastewater treatment works. (refer to the AG Audit report) • The reported achievement for the indicator: Percentage of Wastewater Works with overall wastewater quality compliance also includes the quality compliance report for Appelsbosch wastewater works at 97,62%. Consequently, the property, plant and equipment and the related depreciation are understated by an amount that cannot be confirmed in the absence of costing details.					

APPENDICES

Appendix A – Councillors; Committee Allocation and Council Attendance

COUNCIL MEETINGS

COUNCIL

Chaired by the Speaker. Legislative Political Structure which is entrusted with the oversight responsibility and decision-making/delegation powers.

EXECUTIVE COMMITTEE:

Chaired by the Mayor, takes delegated decisions and resolves to recommend to Council for the implementation of service delivery matters.

PORTFOLIO COMMITTEES:

Section 80 of the Municipal Structures Act, Act 117 of 1998: political oversight on activities implemented by the administration/departments. Chaired by Executive Committee Members.

Aligned to key performance areas/departmental functions

UMGUNGUNDLOVU DISTRICT MUNICIPALITY COMMITTEE RECORD OF ATTENDANCE: FULL COUNCIL JULY 2024-JUNE 2025

A	Absent with an apology
O	Absent without an apology
P	Present

NAME	PARTY	07. 30	08. 22 Sp ec	22. 08 Sp ec	27. 08	29. 08 Sp ec	17. 09 Sp ec	26. 09 Sp ec	09. 10 Sp ec	31. 10	12.1 1 spe c	28. 11	30. 01. 25	11. 02 Sp ec	27. 02	27. 02	27. 03	29. 04	12. 05 Sp ec
SPEAKER: NONHLANHLA MATRINAH NOMATHEMBU GABELA	ANC - DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		P	P																
MAYOR: Cllr MUZIWOKUTH ULA ZUMA	ANC- DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		P	P																
DEPUTY MAYOR: Cllr AMBROSIA SIBONGILE MABASO	ANC- DIRECT	P	P	P	P	A	A	P	P	A	P	P	P	P	P	P	P	O	P
		29. 05	26. 06																
		P	O																
WHIP: SCELO RONNIE MAJOZI	ANC- DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P

		29. 05	26. 06																
		P	P																
Cllr GUGU MARY-JANE DLADLA	ANC- DIRECT	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		P	P																
Cllr SIPHESIHLE PRECIOUS ZUNGU	ANC- DIRECT	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	O	P
		29. 05	26. 06																
		P	P																
Cllr NINGI JOSTINAH ZUNGU	ANC- DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		O	P																
Cllr MBUZELWA EDWARD DLADLA	ANC- DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		P	P																
Cllr NAJMAH BANU AHMED	ANC- DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		P	P																
Cllr MNCEDISI SIBUSISO MTHETHWA	ANC- DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		P	P																

NAME	PARTY	07. 04 S p e c	07. 30	22. 08 Sp ec	27. 08	29. 08 Spe c	17. 09 S p e c	29. 09	09. 10 Sp ec	31. 10	12.1 1 spec	28. 1 1	30. 01. 25	11.0 2	11.0 2 Spe c	27. 02	27. 03	27. 04	12. 05 Spe c
Cllr THEMBOKW AKHE	DEMOCR ATIC ALLIANC	P	P	P	P	A	P	P	P	A	P	P	P	P	P	O	P	P	P

CORNELIUS MADONDO	E- DIRECT																		
		29. 05	26. 06																
		P	P																
CLLR TANKI TSOANANYA NA	DEMOCR ATIC ALLIANC E- DIRECT	P	P	P	P	P	A	P	P	P	P	P	P	P	P	O	P	P	P
		29. 05	26. 06																
		P	O																
Cllr THEMBA ABRAM HLATSHWAY O	DEMOCR ATIC ALLIANC E- DIRECT	A	P	P	P	P	P	P	P	P	P	P	P	P	P	O	P	P	P
		29. 05	26. 06																
		P	O																
SURAYA REDDY	DA	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																
		P	P																
Cllr LIONEL ERROL PIENAAR	INKATH A FREEDO M PARTY - DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P				
Cllr BA MKHIZE	INKATH A FREEDO M PARTY - DIRECT	REPLACED COUNCILLOR LIONEL ERROL PIENAAR														O	P	P	P
		29. 05	26. 06																
		P	P																
Cllr NOMPUMELE LO CAROL ZONDI	INKATH A FREEDO M PARTY - DIRECT	O	P	P	P	P	P	A	P	P	P	P	P	P	P	O	O	O	P
		29. 05	26. 06																
		O	O																

Cllr MZWAKHE EWERT MPULO	ECONO MIC FREEDO M FIGHTER S – DIRECT	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	O	O	P	P
		29. 05	26. 06																	
		P	O																	
Cllr MIKE S BRANCHES	ECONO MIC FREEDO M FIGHTER S - DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
		P	P																	
Cllr NOMFUNDO WENDY MTSHWARA	ECONO MIC FREEDO M FIGHTER S – DIRECT	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	O	P	P	P
		29. 05	26. 06																	
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NAME	PARTY	07. 04	07. 30	07. 30	22 .0 8 Sp ec	27. 08	29. 08 Sp ec	17. 09 Sp ec	26. 09	09 .1 0 Sp ec	31 .1 0	12. 11 spe c	28 .1 1	30 .0 1. 25	11 .0 2	11 .0 2 Sp ec	27 .0 2	27 .0 3	27 .0 4	1 2 . 0 5 S p e c
Cllr AUTRINA NOMATHE MBA PHUNGULA	DEMOCRA TIC ALLIANCE-	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
		P	P																	
Cllr SIBUSISO DESMOND CHONCO	DEMOCRA TIC ALLIANCE-	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
		P	P																	
Cllr REGINA ZINHLE NGUBO	DEMOCRA TIC ALLIANCE-	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
		P	P																	
Cllr PRETTY NELISIWE MAPHANG A	IFP	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
		P	P																	
Cllr MSHUSHISI AUBREY NGUBANE	IFP	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	

		P	P																	
Cllr DORCAS SIBONGILE MKHIZE	ANC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	O	O	P
		29. 05	26. 06																	
		O	O																	
NAME	PARTY	07. 04	07. 30	07. 30	22 .0 8 Sp ec	27. 08	29. 08 Sp ec	17. 09 Sp ec	26. 09	09 .1 0 Sp ec	31 .1 0	12. 11 spe c	28 .1 1	30 .0 1. 25	11 .0 2 Sp ec	11 .0 2 Sp ec	27 .0 2	27 .0 3	27 .0 4	1 2 .0 5 S p e c
Cllr GODMAN NKOSIVELIL E DLAMINI	ANC	A	O	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	O	P
		29. 05	26. 06																	
		P	P																	
Cllr GLADNESS SIBONGILE MNCWAN GO	ANC	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
		P	P																	
Cllr THOLAKELE IGNETIA DLAMINI	ANC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	

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Cllr MICHAEL BHEKABAN TU ZUMA	ANC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
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Cllr SIBUSISO ALFRED MKHIZE	ANC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
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Cllr KHULEKANI MSOMI	ANC	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
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Cllr MDUDUZI CASWELL MSHENGU	ANC	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	O	P
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NAME	PARTY	07. 04	07. 30	07. 30	22 .0 8	27. 08	29. 08 Sp ec	17. 09 Sp ec	26. 09	09 .1 0	31 .1 0	12. 11 spe c	28 .1 1	30 .0 1. 25	11 .0 2	11 .0 2	27 .0 2	27 .0 3	27 .0 4	1 2 .0 5

					Sp ec					Sp ec					Sp ec	Sp ec				S p e c
Cllr VICTORIA MAVIE PHUNGULA	ANC	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	O	P
		29. 05	26. 06																	
		P	P																	
Cllr STANLEY NTUTHUKO MNCWABE	EFF	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		29. 05	26. 06																	
		P	P																	
CLLR AYANDA NGCOBO	EFF	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	O	P	P
		29. 05	26. 06																	
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Cllr N W GASA	ANC	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	O	O	O	
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		P	P	O																
Cllr NOMUSA RONAH KHANYILE	ANC	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P	O	O	
		12. 05	29. 05	26. 06																
		P	P	O																

ClIr BRIGHT MKHIZE	IFP	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	O	O	O
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		P	O	O															
ClIr RICHARD SIZWE SOKHELA	ANC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		12.05	29.05	26.06															
		P	P	P															
ClIr K Jansen Van Rensburg	DEMOCRATIC ALLIANCE	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		12.05	29.05	26.06															
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ClIr HAZEL MARY LAKE	DEMOCRATIC ALLIANCE-	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		12.05	29.05	26.06															
		P	P	P															
ClIr LINDOKUHE WISEMAN WYNNE	ANC	A	O	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P

		12. 05	29. 05	26. 06															
		P	O	O															
Cllr ZIBUSE WONDERF UL DLAMINI	ANC	A	O	P	P	P	P	P	P	P	A	P	A	P	P	P	P	P	O
		12. 05	29. 05	26. 06															
		P	O	O															
Cllr SIPHIWE NGIDI	ANC	P	O	P	P	P	P	P	A	A	P	P	A	P	P	P	P	P	O
		12. 05	29. 05	26. 06															
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Cllr Thabiso Mkhize	ANC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		12. 05	29. 05	26. 06															
		P	P	P															
Cllr VINCENT MAPHUMU LO	ANC	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		12. 05	29. 05	26. 06															
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AMAKHOSI	07.04	07. 30	08. 2 2 Sp ec	27. 08 Sp ec	29. .0 8	17. 09 Sp ec	26. 09	09. 10 Sp ec	31. 10	12. 11 Spe c	28. .1 1	30. 01. 25	27. .0 2	27. .0 3	27. .0 4	12. 05 Sp ec	29. .0 5	26. .0 6

INKOSI VI ZONDI	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
INKOSI BONGUMUSA GLADWELL GWAMANDA	P	P	P	P	P	P	P	P	P	P	P	A	A	A	A	A	A	P
INKOSI PHUMLANI MAJOZI	O	O	A	O	A	O	O	A	A	A	A	A	A	P	A	A	A	A

Appendix B – Council Committees and Purposes

COUNCIL

Chaired by the Speaker. Legislative Political Structure which is entrusted with the oversight responsibility and decision-making/delegation powers.

EXECUTIVE COMMITTEE:

Chaired by the Mayor, takes delegated decisions and resolves to recommend to Council for the implementation of service delivery matters.

PORTFOLIO COMMITTEES:

Section 80 of the Municipal Structures Act, Act 117 of 1998: political oversight on activities implemented by the administration/departments. Chaired by Executive Committee Members.
Aligned to key performance areas/departmental functions.

A	Absent with an apology
O	Absent without an apology
	Present

RECORD OF ATTENDANCE 2024-2025 EXECUTIVE COMMITTEE

A	Absent with an apology
O	Absent without an apology
P	Present

NAME	01.07.24	25.07.24	21.08.24	19.09.24	22.10.24	20.11.24	22.01.25	19.02.25	23.04.25	21.05.25	18.06.25
CLLR M ZUMA (MAYOR)	P	P	P	P	P	P	P	P	P	P	P
CLLR SA MABASO (DEPUTY MAYOR)	P	P	P	P	P	P	P	P	P	P	A
CLLR S MAJOZI (WHIP OF COUNCIL)	O	P	O	O	O	O	O	O	P	O	O

CLLR HM LAKE	P	P	P	P	P	P	P	P	A	P	P
CLLR TC MADONDO	P	P	P	P	P	P	P	P	P	P	P
CLLR DS MKHIZE	P	P	P	P	P	P	P	P	A	A	A
CLLR ME MPULO	P	O	P	P	P	P	P	P	P	P	P
CLLR MS MTHETHWA	P	P	P	P	P	P	P	P	P	P	P
CLLR LE PIENAAR	P	P									

A	Absent with an apology
O	Absent without an apology
P	Present

RECORD OF ATTENDANCE JULY 23 TO JUNE 24

FINANCE PORTFOLIO COMMITTEE

NAME	19.07.24	15.08.24	19.09.24	22.10.24	11.11.24	22.01.25	19.02.25	19.03.25	23.04.25	21.05.25	12.06.25	17.07.25
CLLR M ZUMA	P	P	P	P	P	P	P	P	P	P	P	P
CLLR HM LAKE	P	P	P	P	P	P	P	P	A	P	P	A
CLLR TC MADONDO	P	P	p	P	P	A	P	P	P	P	P	P
CLLR ME MPULO	P	P	P	O	O	A	P	O	O	P	A	O
CLLR MS MTHETHWA	P	P	p	O	P	P	P	P	P	P	P	P
CLLR MV PHUNGULA	P	P	O	P	P	A	P	0	P	P	P	P
CLLR NJ ZUNGU	P	P	P	P	P	P	P	A	P	P	P	O
CLLR RS SOKHELA	P	P	P	P	P	P	P	A	P	P	P	P
CLLR K MSOMI	P	P	O	P	O	A	P	P	P	P	A	P

ECONOMIC DEVELOPMENT AND PLANNING PORTFOLIO COMMITTEE RECORD OF ATTENDANCE JULY 2024 TO JUNE 2025

.A	Absent with an apology
O	Absent without an apology
P	Present

NAME	16.07.24	13.08.24	17.09.24	15.10.24	12.11.24	11.02.25	11.03.25	15.04.25	16.05.25	10.06.25
CHAIRPERSON CCLR DS KHIZE	P	P	P	P	P	P	A	P	A	A
CCLR NB AHMED	P	P	P	P	P	P	P	P	P	P
CCLR N CEBEKHULU	O	O	O	O	RESIGNED					
CCLR NW GASA	REPLACED CCLR N CEBEKHULU				P	P	P	P	P	P
CCLR MC MSHENGU	P	P	P	P	P	P	P	P	P	P
CCLR N MTSHWARA	P	P	P	P	P	P	P	P	P	P
CCLR S ZONDI	A	O	O	O	RESIGNED					
CCLR T SITHOLE	REPLACED CCLR S ZONDI				P	P	P	P	P	P
CCLR T TSOANANYANA	P	P	P	P	P	P	A	P	O	P
CCLR NC ZONDI	P	P	P	P	O	O	A	O	O	O
CCLR MB ZUMA	P	P	P	P	P	P	P	P	P	P

HUMAN RESOURCES AND SOUND GOVERNANCE PORTFOLIO COMMITTEE RECORD OF ATTENDANCE JULY 24 TO JUNE 25

A	Absent with an apology
O	Absent without an apology
P	Present

NAME	17/7/24	7/8/24	12/9/24	9/10/24	11/11/24	15/1/25	12/2/25	12/3/25	9/4/25	14/5/25	11/6/25	16/7/25
CCLR MS MTHETHWA	P	P	P	P	P	P	P	P	P	P	P	P
CCLR NB AHMED	P	P	P	P	P	P	P	P	P	P	P	P

CCLR T DLAMINI	P	P	A	P	P	P	P	P	P	P	P	P
CCLR S MKHIZE	P	P	P	P	P	P	P	P	P	P	P	P
CCLR N ZUNGU	P	P	P	A	P	P	P	P	P	P	P	P
CCLR K VAN RENSBURG	p	p	p	p	REPLACED CCLR N NDLOVU							
CCLR N PHUNGULA	P	P	P	P	P	P	P	P	P	P	P	P
CCLR N MAPHANGA	0	0	p	p	p	P	P	P	P	P	P	P
CCLR T TSOANANYANA					p	P	A	P	P	A	P	P
MS BRANCHES	P	P	P	P	p	P	P	P	P	P	P	P
N NDLOVU	P	P	0	P	0	DECEASED						

COMMUNITY SERVICES PORTFOLIO COMMITTEE

RECORD OF ATTENDANCE JULY 2024 – JUNE 2025

.A	Absent with an apology
0	Absent without an apology
P	Present

NAME	16.07.24	13.08.24	13.09.24	08.10.24	14.11.24	15.01.25	12.02.25	13.03.25	16.05.25	12.06.25
CHAIRPERSON: CCLR SP ZUNGU	P	P	P	P	P	P	P	P	P	P
CCLR S NGIDI	P	P	P	O	P	P	O	P	P	P
CCLR VM PHUNGULA	O	P	P	P	P	P	O	P	P	P
CCLR ZW DLAMINI	O	O	P	A	P	P	P	P	P	P
CCLR GN DLAMINI	O	O	P	P	P	P	O	O	P	P
CCLR Z NGUBO	P	P	P	P	P	P	P	P	P	P
CCLR S CHONCO	P	P	P	P	P	P	P	P	P	P
CCLR NC ZONDI	A	A	O	O	O	P	P	O	P	P
CCLR N MTSHWARA	P	P	P	P	P	A	A	O	P	P

INFRASTRUCTURE PORTFOLIO COMMITTEE
RECORD OF ATTENDANCE JULY 2024 – JUNE 2025

A	Absent with an apology
O	Absent without an apology
P	Present

NAME	18.07 .24	14.08 .24	13.09 .24	16.10 .24	13.11 .24	16.01.25	10.02.25	14.03.2 5	17.04.2 5	16.05.2 5	12.06.2 5
CHAIRPERSON: CLLR AS MABASO	P	P	P	P	P	P	P	P	P	P	P
CLLR V MAPHUMULO	P	P	P	P	P	P	P	P	P	P	P
CLLR T DLAMINI	P	P	P	P	P	P	O	O	O	P	P
CLLR RS SOKHELA	P	P	P	P	P	P	P	P	P	P	P
CLLR N KHANYILE	O	O	O	P	O	O	P	O	P	P	P
CLLR TA HLATSHWAYO	O	O	O	O							
CLLR S ZONDI	O	O	O	O							
CLLR MA NGUBANE	P	P	P	P	P	P	P	P	P	P	P
CLLR S MBUTO	O	O	O								
CLLR A NGCOBO				P	P	P	P	P	P	P	P
CLLR K JANSEN VAN RENSBURG					P	P	A	P	O		
CLLR T SITHOLE					P	P	P	P	P		

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

RECORD OF ATTENDANCE JULY 2024 - JUNE 2025

A	Absent with an apology
O	Absent without an apology
P	Present

NAME	26.07. 24	16.0 8.24	20.09. 24	25.10. 24	21.11. 24	24.01. 25	24.02. 25	20.03. 25	25/04/ 25	19.05 .25	05.06 .25	17.06. 25
CCLR ED DLADLA	P	P	P	P	P	P	P	P	P	P	P	P
CCLR G DLADLA	p	P	P	P	P	P	P	P	P	P	P	P
CCLR T HLATSHWAYO	P	P	P	P	P	P	P	P	P	P	P	P
CCLR T MKHIZE	P	P	P	P	A	P	A	A	P	P	P	P
CCLR BK MKHIZE	A	P	P	A	P	P	A	P	P	P	A	A
CCLR SN MNCWABE	P	P	P	P	P	P	P	P	P	P	P	P
CCLR GS MNCWANGO	P	p	A	P	P	P	A	P	P	P	P	P
CCLR S REDDY	P	P	P	P	P	P	P	P	P	P	P	P
CCLR LW WYNNE	A	A	A	A	A	O	O	O	O	O	O	O

Appendix B – Council Committees and Purposes

FULL COUNCIL

The Full Council is the highest decision-making body of the municipality and exercises comprehensive authority over municipal governance and service delivery. The Full Council is established as the supreme authority within the municipality, responsible for exercising all powers, functions, and responsibilities conferred upon it by the Constitution, relevant legislation including the Municipal Structures Act, 1998, and municipal bylaws.

The purpose of the Full Council is to provide democratic governance through the following key functions:

- To adopt and approve the municipality's integrated development plan (IDP), budget, and related strategic frameworks that guide municipal development and service delivery.
- To formulate, pass, and review bylaws, policies, and regulations consistent with legal mandates in order to regulate local governance and service provision.
- To provide overall political direction and oversight over the executive authority and administration of the municipality, ensuring accountability and transparency in municipal operations.
- To ensure public participation and community involvement in the municipal decision-making process by considering inputs from wards, sector forums, and local community structures.
- To receive, consider, and act upon reports from the Executive Committee, Portfolio Committees, and administration on various municipal functions and projects.

GENERAL FUNCTIONS OF THE FULL COUNCIL

The Full Council makes final decisions on all municipal policies, legislation, and budget allocations affecting the community it serves. It confirms senior municipal appointments as required by legislation and ensures municipal administration accountability through regular performance reports and oversight mechanisms. The Council adopts key frameworks such as the spatial development framework, service delivery and budget implementation plan (SDBIP), and performance management systems. It ensures strict compliance with all statutory requirements governing municipal operations. Further, it exercises oversight over financial management, service delivery, and governance, ensuring these functions are aligned with national and provincial regulatory frameworks and standards.

EXECUTIVE COMMITTEE

The purpose of the Executive Committee is to delegate specific functions to committees as provided for in Part 5: Section 79 of the Municipal Structures Act, 1998. The Executive Committee exercises oversight responsibilities in respect of the day-to-day activities of Council.

The objective of the Council Committee is to perform the following functions:

- To formulate and develop legislation and policies pertaining to the functions of the administration;
- To provide oversight in the implementation and monitoring of the approved legislation, by-laws, policies, municipal budget as well as Council's strategic plans.
- To consider any report on legislation, policies (Budget and Integrated Development Planning included), and bylaws with regard to the administration; and
- To ensure that the inputs from the communities and sector fora are given due consideration in council structures.

GENERAL FUNCTIONS OF THE EXECUTIVE COMMITTEE

Recommends to Council after consultation with the relevant Portfolio Committee, policies where Council had reserved the power to make the policies itself. Determines strategic approaches, guidelines and growth parameters for the draft budget including tariff structures, etc.

MEMBERSHIP:

NAME	PARTY	REPRESENTING
M ZUMA (MAYOR AND CHAIRPERSON)	ANC	DIRECT

AS MABASO (DEPUTY MAYOR)	ANC	DIRECT
HM LAKE	DA	UMNGENI LOCAL UNICIPALITY
TC MADONDO	DA	DIRECT
DS MKHIZE	ANC	MSUNDUZI LOCAL MUNICIPALITY
ME MPULO	EFF	DIRECT
MS MTHETHWA	ANC	DIRECT
LE PIENAAR	IFP	DIRECT
SP ZUNGU	ANC	DIRECT

PORTFOLIO COMMITTEES

In pursuit of its development mandate the municipality has put in place sound governance support structures. These structures are the portfolio committees that are appointed in terms of Sections 79 and 80 of the Municipal Structures Act. Their primary role is to provide oversight and advisory support to the council; however, they do not possess final decision-making authority. A detailed list of the appointed committees along with their members is provided in the table below.

FINANCE PORTFOLIO COMMITTEE		
NAME	PARTY	REPRESENTATION BY LOCAL MUNICIPALITY
Councillor M Zuma (Chairperson)	ANC	DIRECT
Councillor RS Sokhela	ANC	UMNGENI LOCAL MUNICIPALITY
Councillor K Msomi	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor NJ Zungu	ANC	DIRECT
Councillor VM Phungula	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor HM Lake	DA	UMNGENI LOCAL MUNICIPALITY
Councillor TC Madondo	DA	DIRECT
Councillor LE Pienaar	IFP	DIRECT
Councillor M Mpulo	EFF	DIRECT
Inkosi BG Gwamanda		

INFRASTRUCTURE PORTFOLIO COMMITTEE		
Councillor AS Mabaso (Chairperson)	ANC	DIRECT
Councillor V Maphumulo	ANC	RICHMOND LOCAL MUNICIPALITY
Councillor T Dlamini	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor RS Sokhela	ANC	UMNGENI LOCAL MUNICIPALITY
Councillor N Khanyile	ANC	UMSHWATHI LOCAL MUNICIPALITY
Councillor TA Hlatshwayo	DA	DIRECT
Councillor S Zondi	DA	DIRECT
Councillor MA Ngubane	IFP	MSUNDUZI LOCAL MUNICIPALITY
Councillor AB Ngcobo	EFF	MSUNDUZI LOCAL MUNICIPALITY
Inkosi BG Gwamanda		

HUMAN RESOURCES AND SOUND GOVERNANCE PORTFOLIO COMMITTEE		
Councillor MS Mthethwa (Chairperson)	ANC	DIRECT
Councillor T Dlamini	ANC	MSUNDUZI LOCAL MUNICIPALITY

Councillor NB Ahmed	ANC	DIRECT
Councillor SA Mkhize	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor N Zungu	ANC	DIRECT
Councillor N Ndlovu	DA	UMNGENI LOCAL MUNICIPALITY
Councillor N Phungula	DA	MSUNDUZI LOCAL MUNICIPALITY
Councillor N Maphanga	IFP	MSUNDUZI LOCAL MUNICIPALITY
Councillor M Branches	EFF	DIRECT
Councillor K Van Rensburg	DA	Replaced Cllr N Ndlovu

COMMUNITY SERVICES PORTFOLIO COMMITTEE

Councillor SP Zungu (Chairperson)	ANC	DIRECT
Councillor S Ngidi	ANC	MKHAMBATHINI LOCAL MUNICIPALITY
Councillor VM Phungula	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor ZW Dlamini	ANC	IMPENDLE LOCAL MUNICIPALITY
Councillor GN Dlamini	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor Z Ngubo	DA	MSUNDUZI LOCAL MUNICIPALITY
Councillor SD Chonco	DA	MSUNDUZI LOCAL MUNICIPALITY
Councillor N Zondi	IFP	DIRECT
Councillor N Mtshwara	EFF	DIRECT

ECONOMIC DEVELOPMENT AND PLANNING PORTFOLIO COMMITTEE

Councillor DS Mkhize (Chairperson)	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor B Zuma	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor M Mshengu	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor NB Ahmed	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor N Cebekhulu	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor N Ndlovu	DA	UMNGENI LOCAL MUNICIPALITY
Councillor S Zondi	DA	DIRECT
Councillor N Zondi	IFP	DIRECT
Councillor N Mtshwara	EFF	DIRECT
Inkosi P Majozi		
Councillor T Tsoananyana	DA	Replaced Cllr N Ndlovu

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

Councillor EM Dladla (Chairperson)	ANC	DIRECT
Councillor G Dladla	ANC	DIRECT
Councillor LW Wynne	ANC	MPOFANA LOCAL MUNICIPALITY
Councillor TS Mkhize	ANC	RICHMOND LOCAL MUNICIPALITY
Councillor GS Mncwango	ANC	MSUNDUZI LOCAL MUNICIPALITY
Councillor S Reddy	DA	MSUNDUZI LOCAL MUNICIPALITY
Councillor C Van Der Byl	DA	DIRECT
Councillor B Mkhize	IFP	UMSHWATHI LOCAL MUNICIPALITY
Councillor N Mncwabe	EFF	MSUNDUZI LOCAL MUNICIPALITY
Councillor TA Hlatshwayo	DA	Replaced Cllr C Van Der Byl

TRADITIONAL LEADERS (AMAKHOSI)

Section 81(2) of the Municipal Structures Act, Act 117 of 1998, provides for the participation of traditional leaders in municipal Councils. This legislation empowers the Provincial MEC to determine which Amakhosi are to participate and to publish these details in the provincial gazette. This arrangement gives a leader of a traditional authority directly affected by a decision the opportunity to express a

view on the matter before the municipal Council takes a decision. This aligns with government values of transparency, inclusivity, and cooperation among its stakeholders. In accordance with Section 81(5) of the same Act, the municipality's Code of Conduct for councillors and its Rules of Order fully apply to traditional leaders participating in Council meetings.

The following Amakhosi participated in the uMgungundlovu District Municipal Council:

INKOSI BG Gwamanda
INKOSI P Majozi
IBAMBA MZ Zondi

Appendix C – Third Tier Administrative Structure

Name of Official	Gender	Position	Function	Performance Agreement Signed Yes/No
Dr EX Muthwa (01 July 2024 - 30 June 2025)	Male	Municipal Manager	Overall Municipal Administration Internal Audit and Risk Management Mayoralty (Social Programmes) and Communication Inter-Governmental Relations Strategic Planning and Integrated Development Planning Performance Management Water Services Authority	Yes
Mr. J Dlamini (01 July 2024 - 30 June 2025)	Male	Executive Manager: Technical Services (Acting)	Provision and Management of Water and Sanitation. Water and Sanitation Infrastructure Development and Maintenance.	Yes
Mr. V Kunene (01 July 2024 - 30 June 2025)	Male	Chief Financial Officer	Financial Services: Budget, Financial Reporting, Revenue and Expenditure Management, Asset Management, Supply Chain Management	Yes

Ms L Hadebe (01 July 2024-30 June 2025) Mrs Phumzile Mncwabe (Acting_ (01 March -31 July 2024 & 1 November - 30 June 2025)	Female	Executive Manager: Community Services	Environmental Health Services, Local Economic Development, Fire and Disaster Management.	Yes Yes
Ms L Hadebe (Acting_ 01 November 2024 - 30 June 2025) Mrs Phumzile (Acting_ 01 August to October 2024 – 12-31 May 205)	Female	Executive Manager: Corporate Services	Human Resources Development and Administration, Secretariat and Auxiliary Services, ICT, Fleet Management.	Yes Yes
Mr Mbongiseni J. Sithole (01 July 2024–30 June 2025)	Male	Executive Manager: Economic development and Planning	GIS, Planning, Umngeni Resilience Program and Local Economic and Development	Yes

Appendix D – Functions of the Municipality

SERVICES RENDERED	SERVICES NOT YET RENDERED
Sewage purification works and sewage disposal at six local municipalities	Municipal airports
Integrated development planning for the district as a whole with alignment to the Integrated Development Plans of the local municipalities in the District	Municipal health services
Supply of water and sanitation to six local municipalities	Establishment and management of fresh produce markets and abattoirs
Solid waste management throughout the district	Regulations relating to passenger services
Establishment and management of cemeteries and crematoria in six local municipalities.	
Emergency services (Fire and Disaster Management) in six local municipalities.	
Promotion of local economic development in the district.	
Promotion of tourism development in the district	
Town and Regional Planning and Geographic Information services throughout the district.	
Environmental Health Services.	

Appendix E – WARD REPORTING

None

Appendix F – WARD INFORMATION

None

Appendix G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

ANNUAL REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR uMGUNGUNDLOVU DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2025

INTRODUCTION

The uMgungundlovu District Municipality Audit and Performance Audit Committee has been established by Council as an independent committee in terms of section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003, the Municipal Systems Act (MSA), Act 32 of 2000 and the Municipal Planning and Performance Regulations, 2001. The Committee has adopted a formal Audit Committee Charter, which is regularly updated and approved by Council.

The Committee is honoured to present its report for the financial year ended 30 June 2025.

AUDIT COMMITTEE MEMBERS AND MEETING ATTENDANCE

The Audit Committee Charter requires the Committee to consist of a minimum of three independent members, with a minimum of four (4) meetings to be held per annum to give effect to the responsibilities assigned to the Audit Committee in its Charter.

During the period under review the Audit Committee met six times and comprised of the following members:

Name of Member	Meetings attended	AC membership
Mr J Baloyi	6	Active
Ms B Nzama	6	Active
Mr A Singh	6	Active
Ms. N Shabalala	6	Active
Mr S Ngidi	6	Active

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee has discharged its responsibilities in line with section 166 (2) of The Municipal Finance Management Act, read with Regulation 14(3) and (4)(a) of the Municipal Planning and Performance Management Regulations:

Regulation 14(3) and (4)(a) states the following as some of the responsibilities of performance audit committee:

- A performance audit committee must meet at least four times during the financial year of the municipality concerned.
- A special meeting of the performance audit committee may be called by any member of the committee.
- A performance audit committee may determine its own procedures after consultation with the executive mayor or the executive committee of the municipality concerned, as the case may be.
- A performance audit committee must:
- review the quarterly reports submitted to it in terms of regulation 14 (1)(c)(ii) of the Municipal Planning and Performance regulations.
 - review the municipality's performance management system and make recommendations in this regard to the council of that municipality; and
 - at least twice during a financial year submit an audit report to the municipal council concerned.

The Audit Committee adopted its Terms of Reference in line with the requirements of section 166 of the Municipal Finance Management Act, No. 56 of 2003. Furthermore, the Committee reports that it conducted its affairs in compliance with the adopted Audit Committee charter.

THE EFFECTIVENESS OF INTERNAL CONTROL

Section 165 of the MFMA, prescribes that every Municipality must have an Internal Audit Unit that operates under the direction and control of the Audit Committee. This entails that, functionally the Internal Audit Unit is directly accountable to the Audit Committee while accountable administratively to the Office of the Municipal Manager.

The operational activities of the Internal Audit Unit are regulated by Section 165 of the MFMA, circular 65 published by the National Treasury, the Global Internal Audit Standards (GIAS) and the Internal Audit Charter.

The activities of the Internal Audit Unit are guided by the approved Annual Internal Audit Plan.

The Audit Committee reviewed various reports from the Internal Audit Activity in terms of the approved audit plan.

Based on our evaluation of the work of the Internal Audit Activity as well as feedback from the Office of the Auditor-General, the Committee is of the opinion that the adequacy and effectiveness of internal control systems is generally sound, however, several deficiencies and control weaknesses were identified by Internal Audit during the year under review, which requires urgent management attention.

Furthermore, management's commitment and interventions made in addressing the control deficiencies identified is acknowledged.

The Committee is satisfied that the internal audit work was conducted in accordance with the approved annual audit plan, and with the content and quality of internal auditors' quarterly reports prepared and issued for the period under review.

SYSTEM OF INTERNAL CONTROL

Audit Committee has continued to monitor the progress achieved by the Management in implementing remedial action to prevent recurrence of findings identified by the Internal Audit and the Auditor General. The audit committee acknowledges management's efforts to strengthen internal controls within the municipality.

The Audit Committee has noted that during the year there were still findings regarding material control deficiencies with contract management and would like to emphasize that the responsibility of preventing these findings rests with management.

We therefore request that management must ensure that controls in place, policies and procedures of the Municipality are embraced and adhered to, to prevent recurrence of Internal Audit and Auditor-General findings. We are of the opinion that these can be averted by improving on planning, performance management, contract management practices and strict compliance with the SCM processes.

RISK MANAGEMENT AND GOVERNANCE

The Audit Committee has reviewed the adequacy of the design, implementation and monitoring of the municipality's risk management processes and the integration thereof into the municipality's day to day activities, including:

- Reviewing the significant risk facing the municipality and the appropriateness of identified risk responses.
- Considering the appropriateness of management's risk appetite and risk tolerance in accordance with the risk management strategy set by the Council.
- Ensuring that a formal risk assessment is undertaken at least annually.

The Committee acknowledges the risk management processes that management has put in place; however, the municipality needs to increase its efforts in ensuring that the practice of risk management is embedded in the operational processes of the municipality and monitored continuously.

PERFORMANCE MANAGEMENT

The Audit Committee has considered the quarterly reports of the Internal Audit Activity in relation to performance management and the review of the Annual Performance Report and can conclude that the performance management system is in place and fully functional, however the following concerns that were raised in previous year with management are persistently being observed:

- Planned targets are not achieved by management; and
- Portfolio of evidence not always submitted timeously for audit purposes resulting in the internal audit not being able to ascertain the extent to which measurable outputs were achieved.

THE QUALITY OF IN-YEAR MANAGEMENT AND MONTHLY/ QUARTERLY REPORTS SUBMITTED IN TERMS OF THE MFMA

The Committee has reviewed the content and quality of in-year management and monthly/ quarterly report submitted in terms of the MFMA and the Division of Revenue Act, were of acceptable standard.

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed the municipality's annual financial statements for the year ended 30 June 2025.
- Reviewed the municipality's compliance with legal and regulatory provisions.

The following reports were also reviewed by the Audit Committee:

- Supply Chain Management Report,
- Internal Audit Report: Supply Chain Management
- Internal Audit Report: Disaster Management
- Internal Audit Report: Overtime Management
- Annual Financial Statements Review Report,
- Annual Report Review Report,
- Internal Audit Follow-up Action Plan
- Auditor-General Action Plan
- Preliminary In Year Monitoring reports
- Quarterly Performance Management Report
- Risk Management and Compliance Reports

RECOMMENDATIONS

- **In the quest of Curbing UIFW:** The Council must exert more effort and more stringent control measures to curb Unauthorised, Irregular, Fruitless and Wasteful Expenditure and to prevent repeat audit findings. The Audit Committee has noted that, in the main, these findings emanate from non-compliance with the SCM Policies and Procedures and poor planning in Contract Management.
- **Debt Recovery:** Council together with management should implement a vigorous debt collection strategy and fast track the meter audit, this will ensure that the municipality enhances its revenue collection.
- **Risk Management** – Elevate the Cyber Security and Business Continuity Management to be one of the priorities areas of the Municipality.

APPRECIATION

The Committee wishes to express its sincere appreciation to the Mayor, Council, Municipal Manager, management and officials of the municipality for their support and cooperation during the year under review. The Committee also acknowledges the support and assistance of the Office of the Auditor-General.



Chairperson

Audit and Performance Committee

Mr. S Ngidi

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

N o .	CON TRA CT NU MB ER	BID/ QUOT ATION NUMB ER	APPOINTED BIDDER	MUNICIP ALITY VOTE/DE PARTME NT	DESSCRIPTIO N OF GOODS/SER VICES/PROJ ECTS	CON TRA CT VAL UE AS PER CON TRA CT	CONTRAC T AMOUNT PAID	BAL ANC E OF CON TRA CT VAL UE	PERC ENTA GE ESCA LATI ON	CON TRA CT STAR T DAT E	CON TRA CT END DAT E	CON TRA CT DUR ATI ON IN MO NTH S	CON TRACT STAT US	CON TRA CT EXT ENSIO N PERI OD IN MO NTH S	CON TRA CT EXT ENSIO N VAL UE	EARLY TERMI NATIO N CLAUS E	PAYMENT MILESTONE S/DELIVERA BLES YES /NO	PAY ME NT PEN ALT Y CLA USE YES /NO	NA ME OF DAT A CAP TUR ER	COMM ENTS
8 2	7/3/ 82	10/201 4	FIRST NATIONAL BANK	CORPOR ATE SERVICES	PROVISION OF BANKING SERVICES FOR UMGUNGUN DLOVU MUNICIPALI TY	R 6 212 976, 26	R 6 212 976,26	R -	0,00 %	2015 /02/ 11	2025 /12/ 31	131	EXTEN DED	N/A	R -	NO	NO	NO	BALI NDIL E CELE	>CONT RACT VALUE IS TAKEN FROM PAGE 93 OF THE TENDE R. >PAYM ENT AMOU NTS WERE OBTAI NED FROM THE PAYME NT LISTIN G AND EXPEN DITUR E REPOR

																				TS. >THE DATE OF SIGNA TURE IS TAKEN AS THE START DATE AND THE END DATE COULD NOT BE DETER MINED AS THIS SERVIC E IS LONG TERM. A DURAT ION OF 60 MONT HS WAS USED FOR THE PURPO SE OF THIS REGIST ER. >THE CONTR ACT FORM S PART OF THE BID

																					DOCU MENT AND REFER S TO THE GCC. >THIS CONTR ACT WAS DRAW N UP BY THE MUNIC IPALIT Y AND IS SIGNE D BY BOTH PARTIE S. >THIS CONTR ACT IS INCLU DED IN THE MBD. > THE CONTR ACT WAS EXTEN DED UNDER SECTIO N 116(3) OF THE MFMA , THE CONTR ACT WAS EXTEN DED

																				UNTIL 30 AUGUS T 2022 >THE CONTR ACT WAS EXTEN DED UNDER SECTIO N 116(3) OF THE MFMA , THE CONTR ACT WAS EXTEN DED UNTIL 30 AUGUS T 2023. >THE CONTR ACT WAS EXTEN DED UNDER SECTIO N 116 (3) OF THE MFMA , THE CONTR ACT WAS EXTEN DED UNTIL THE 30TH

																				OF NOVE MBER 2023 >THE CONTR ACT WAS EXTEN DED UNDER SECTIO N 116 (3) OF THE MFMA , THE CONTR ACT WAS EXTEN DED UNTIL THE 31ST OF MAY 2024
1 0 6	7/3/ 106	0	ITHALA DEVELOPM ENT FINANCE CORPORATI ON LIMITED	CORPOR ATE SERVICES	LEASE OF UNIT 25 HOWICK SHOPPING CENTRE	R 1 613 579, 04	R 1 613 579,04	R -	8,00 %	2016 /12/ 01	2034 /09/ 01	213	EXTEN DED	15	R 124 066, 00	NO	NO	YES	BALI NDIL E CELE	>THE CONTR ACT VALUE WAS OBTAI NED FROM PAGE 3 OF THE LEASE AGREE MENT. >THE START AND END DATES ARE TAKEN

[illegible]

																		FULL EXPEN DITUR E. >ON THE 16TH BOF NOVE MBER 2021 THE EXTEN SION OF CONTR ACT WAS APROV ED ,THE CONTR ACT WILL BE EXTEN DED FOR A PERIO D OF NOT MORE THAN 3 MONT HS WITH A VALUE OF R124 066. >THE CONTR ACT WAS EXTEN DED

																				UNTIL 28 FEBRUARY 2023, IT WAS EXTENDED IN TERMS OF SECTION 116 OF THE MFMA >THE CONTRACT WAS EXTENDED IN TERMS OF SECTION 116 OF THE MFMA ON THE 27 OF FEBRUARY 2023
235	7/3/235	22/2019	SCELO BUSINESS CONSULTING	COMMUNITY SERVICES	LEASING OF 4 NEW EMERGENCY RESPONSE VEHICLES	R 25 019 400,00	R 23 138 000,00	R 1 881 400,00	0,00 %	2020 /06/ 17	2024 /11/ 30	53	EXPIRED	36	R -	YES	NO	YES	BALINDILE CELE	>IN TERMS OF THE BID DOCUMENT ,GENERAL CONDITIONS OF TENDER THERE IS AN EARLY

																				TERMI NATIO N CLAUS E. >THE CONTR ACT START DATE IS TAKEN FROM THE FORM OF ACCEP TANCE DATE 12 SEPTE MBER 2019. >THE CONTR ACT PERIO D IS 36 MONT HS AND IS FOUN D ON PAGE 44 UNDER SCOPE OF WORK. >THE CONTR ACT FORM S PART OF THE BID DOCU MENT

																				AND REFER S TO THE GCC >THE CONTR ACT WAS EXTEN DED THROU GH SECTIO N 116 FOR 6 MONT HS ON THE 22ND JUNE 2023 >THE CONTR ACT WAS EXTEN DED THROU GH SECTIO N 116 FOR 6 MONT HS ON 01 DECE MBER 2023 FOR A PERIO D OF 6 MONT HS ENDIN G ON THE 30TH

																				OF JUNE 2024 >THE CONTR ACT WAS EXTEN DED THROU GH SECTIO N 116 FOR 1 MONT H ON 3 JULY 2024 FOR A PERIO D OF 1 MONT H ENDIN G ON THE 31ST OF JULY 2024
2 4 5	7/3/ 245	0	RICHMOND FIRE PROTECTIO N ASSOCIATIO N	COMMU NITY SERVICES	ACCESS TO FIRE EARLY DETECTION SYSTEM	R 2 875 000, 00	R 2 875 000,00	R -	0,00 %	2019 /07/ 01	2024 /07/ 01	60	EXPIR ED	0	R -	YES	NO	NO	BALI NDIL E CELE	>THE CONTR ACT VALUE OF R 2 500 000 EXCLU DING VAT WHICH IS FOUN D.ON PAGE 6 OF THE AGREE MENT

																					>THIS CONTR ACT WAS SIGNE D BY BOTH THE MUNIC IPALIT Y AND THE SERVIC E PROVI DER ON THE 01 JULY 2019 >THE START DATE IS TAKEN FROM THE DATE THE MUNIC IPALIT Y SIGNE D AND END DATES ARE TAKEN FROM PAGE 6 OF THE AGREE MENT. >THE PAYME NTS AMOU NT IS

																				TAKEN FROM THE PAYMENT LISTING
330	7/3/331	40/2020	AQUA TRANSPORT AND PLANT HIRE (PTY) LTD	TECHNICAL SERVICES	PROVISION OF WATER TANKERING	R 326 245 677,14	R 326 245 677,14	R -	0,00 %	2021 /05/01	2025 /12/31	56	EXTENDED	0	R -	YES	YES	NO	BALINDILE CELE	>THERE IS A SERVICE LEVEL AGREEMENT WHICH IS SIGNED BY BOTH THE SERVICE PROVIDER AND THE MUNICIPALITY. >THE CONTRACT VALUE COULD NOT BE DETERMINED, HENCE THE CONTRACT VALUE IS THE SUM OF ALL PAYME

																				NTS TO DATE >THE CONTR ACT PERIO D IS 36 MONT HSAND IS FOUN D ON PAGE 4 OF THE SLA. > IN OCTOB ER THE FIRST ADDEN DUM WAS ISSUED (THE MUNIC IPALIT Y REQUI RES THE DEPLO YMENT OF ADDITI ONAL WATE R TANKE RS A MAXI MUM OF 14 TANKE RS TO SERVIC E NEEDS AROU

[illegible]

																				DUM WAS ISSUED (THE MUNICIPALITY REQUIRES THE DEPLOYMENT OF ADDITIONAL WATER TANKERS A MAXIMUM OF 10 TANKERS TO SERVICE NEEDS AROUND THE DISTRICT FOR A PERIOD OF THREE MONTHS ENDING 31 JULY 2022)
336	7/3/337	02/2020	TALBOT LABORATORIES (PTY) LTD	COMMUNITY SERVICES	WATER QUALITY ANALYSIS	R3 676 368,60	R3 676 368,60	R-	0,00 %	2021/08/11	2024/07/31	36	EXPIRED	0	R-	YES	NO	NO	BALINDILE CELE	>IN TERMS OF THE SERVICE LEVEL

[illegible]

																				CONTR ACT START DATE IT IS WHEN THE CONTR ACT IS SIGNE D
3 3 7	7/3/338	39/2020	PRO SECURE (PTY) LTD	CORPOR ATE SERVICES	SUPPLY, INSTALLATIO N AND SERVICE OF FIRE EQUIPMENT	R 169 097, 96	R 169 097,96	R -	0,00 %	2021 /08/ 11	2024 /07/ 31	36	EXPIR ED	0	R -	YES	NO	NO	BALI NDIL E CELE	>IN TERMS OF THE SERVIC E LEVEL AGREE MENT THE DOCU MENT IS IS SIGNE D BY THE MUNIC IPALIT Y MANA GER AND SERVIC E PROVI DER >THER E IS AN EARLY TERMI NATIO N CLAUS E. >THE CONTR ACT PERIO

																				D IS 36 MONT HS >THE CONTR ACT START DATE IT IS WHEN THE CONTR ACT IS SIGNE D.
3 5 0	7/3/ 351	03/202 1	JADE STAR CC TRADING AS ELECTRIC AND PUMP SERVICES	TECHNIC AL SERVICES	ELECTRICAL AND MECHANICA L MAINTENAN CE SERVICES	R 100 797 827, 73	R 100 797 827,73	R -	0,00 %	2021 /12/ 01	2025 /05/ 31	42	EXPIR ED	0	R -	YES	NO	NO	BALI NDIL E CELE	>IN TERMS OF THE BID DOCU MENT THE FORM OF OFFER AND ACCEP TANCE IS SIGNE D BY THE BOTH PARTIE S. >IN TERMS OF THE SERVIC E LEVEL AGREE MENT, THERE IS AN EARLY TERMI NATIO

																				N CLAUS E. PAGE 7 >THE CONTR ACT PERIO D IS 36 MONT HS >THE CONTR ACT START DATE IT IS WHEN THE CONTR ACT IS SIGNE D. >THE CONTR ACT VALUE WILL BE EQUAL TO CONTR ACT AMOU NT PAID.
3 5 4	7/3/ 355	20/202 1	FLEET HORIZON SOLUTIONS (PTY) LTD	CORPOR ATE SERVICES	SUPPLY VEHICLES ON A FULL MAINTENAN CE LEASE	R 44 001 832, 90	R 44 001 832,90	R -	0,00 %	2022 /03/ 01	2026 /02/ 02	47	CURR ENT	0	R 1 399 184, 28	YES	NO	NO	BALI NDIL E CELE	>IN TERMS OF THE MASTE R LEVEL AGREE MENT THE DOCU MENT IS

																	SIGNED BY THE MUNICIPALITY MANAGER AND SERVICE PROVIDER. THE CONTRACT PERIOD IS 36 MONTHS. THE CONTRACT VALUE IS R 33 995 762.64 . ON 12TH OF MAY 2022 THE VARIATION ORDER OF R 1 399 184.28 FOR THE VEHICLES OF THE PUBLIC OF BEARE

																				ERS WAS ISSUED .
3 6 5	7/3/366	16/2021	YURETEK BUSINESS MACHINES	CORPORATE SERVICES	PROVISION OF 33 MULTIFUNC TIONAL PHOTOCOPI ERS FOR UMDM	R 5 137 251, 32	R 5 137 251,32	R -	0,00 %	2022 /05/ 10	2025 /11/ 30	43	EXTEN DED	0	R 185 236, 56	YES	YES	YES	BALI NDIL E CELE	>IN TERMS OF THE SERVIC E LEVEL AGREE MENT THE DOCU MENT IS IS SIGNE D BY THE MUNIC IPALIT Y MANA GER AND SERVIC E PROVI DER >THER E IS AN EARLY TERMI NATIO N CLAUS E. >THE CONTR ACT PERIO D IS 36 MONT HS >THE

																					CONTR ACT START DATE IT IS WHEN THE CONTR ACT IS SIGNE D. VARIA TIONS >ADDI TIONA L PRINTE R EQUIP MENT FOR HOWIC K CCC AND PA FOR LED HOD. PRINTE R SERVE R TO MONIT OR USAGE OF MACHI NES AT 7% OF THE ORIGI NAL CONTR ACT VALUE

370	7/3/371	REQ03140/2022	MAKHOATS E,NARASIMULU &ASSOCIATIONS	TECHNICAL SERVICES	RURAL ROAD ASSET MANAGEMENT STRATEGY (RRAMS)	R10216530,54	R10216530,54	R-	0,00%	2022/05/25	2025/10/31	41	EXTENDED	0	R-	YES	YES	YES	BALINDILECELE	>THE CONTRACT WAS APPOINTED THROUGH QUOTATIONS. >THE CONTRACT PERIOD IS 36 MONTHS >THE CONTRACT DATE IS TAKEN FROM THE APPOINTMENT LETTER. > THE SERVICE PROVIDER IS TAKEN FROM OUR PANEL OF LEGAL ADVISORS.

383	7/3/384	08/2022	CCG SYSTEMS	FINANCE	SUPPORT AND MAINTANANCE SERVICES OF SAGE EVOLUTION ERP SYSTEM (PASTEL)	R 15 202 354,21	R 15 202 354,21	R -	0,00 %	2022 /08/ 18	2025 /12/ 31	40	EXTENDED	0	R -	YES	NO	YES	BALINDILE CELE	>THE CONTRACT VALUE IS COULD NOT BE DETERMINED , HENCE THE CONTRACT VALUE IS THE SUM OF ALL PAYMENTS TO DATE. >THE CONTRACT PERIOD IS 36 MONTHS >THERE IS AN EARLY TERMINATION
393	7/3/394	0	WESBANK	CORPORATE SERVICES	PROVISION OF VEHICLE FLEET MANAGEMENT	R 15 638 775,83	R 15 638 775,83	R -	0,00 %	2022 /09/ 01	2025 /08/ 01	35	EARLY TERMINATION	0	R -	YES	NO	YES	BALINDILE CELE	>THE SERVICE PROVIDER IS APPOINTED VIA THE NATIONAL TREASURY,A

																				TRANS VERSA L CONTR ACT. >THE CONTR ACT PERIO D IS 60 MONT HS. >THE CONTR ACT VALUE WILL BE EQUAL TO CONTR ACT AMOU NT PAID.
4 4 1	7/3/442	04/2022	TALBOT LABORATRI ES	TECHNIC AL SERVICES	SUPPLY WATER QUALITY MONITORIN G SERVICES	R 1 713 558, 30	R 1 713 558,30	R -	0,00 %	2022 /12/ 01	2025 /11/ 30	36	CURR ENT	0	R -	YES	YES	YES	WA NDIL E MAZ IBUK O	>THE TENDE R IS RATES BASED AS STATE D ON PAGE 48 OF THE DOCU MENT >THE FORM OF OFFER IS SIGNE D BY THE SERVIC E

																				PROVI DER IN THEIR CAPAC ITY AS GENER AL MANA GER AND DATED 10/08/ 2022 ON PAGE 5 >THE CONTR ACT FORM S PART OF THE BID DOCU MENT AND REFER S TO THE GCC. > THE CONTR ACT PERIO D IS 36 MONT HS WHICH IS FOUN D ON PAGE 3 OF THE TENDE R DOCU MENT >A SERVIC

																				E LEVEL AGREE MENT SIGN ED ON
4 4 2	7/3/443	UMDM -MMR- 006	AET- SECURITY	OFFICE OF THE MUNICIP AL MANAGE R	PROVISION OF SECURITY SERVICES FOR UMGUNGUN DLOVU MUNICIPALI TY	R 37 229 276, 49	R 37 229 276,49	R -	0,00 %	2022 /12/ 02	2025 /11/ 30	36	CURR ENT	0	R -	YES	NO	YES	WA NDIL E MAZ IBUK O	>THE CONTR ACT START DATE IS TAKEN FROM THE APPOI NTME NT LETTER DATED 01 DECE MBER 2022 >THE CONTR ACT VALUE IS R845 585.34 PM FOR A PERIO D OF 36 MONT HS >THE CONTR ACT IS IN TERMS OF GCC >THER E IS AN

																				EARLY TERMI NATIO N CLAUS E
4 4 4	7/3/445	UMDM -MMR- 008	SIZOWAKH A SERVICES	OFFICE OF THE MUNICIP AL MANAGE R	PROVISION OF SECURITY SERVICES FOR UMGUNGUN DLOVU MUNICIPALI TY	R 7 940 529, 00	R 6 127 385,19	R 1 813 143, 81	0,00 %	2022 /12/ 02	2025 /11/ 30	36	CURR ENT	0	R -	YES	NO	YES	WA NDIL E MAZ IBUK O	>THE CONTR ACT START DATE IS TAKEN FROM THE APPOI NTME NT LETTER DATED 01 DECE MBER 2022. >THE CONTR ACT DURAT ION IS 36 MONT HS >THE CONTR ACT VALUE IS R220 570.25 >THE CONTR ACT IS IN TERMS OF GCC >THER

																				E IS AN EARLY TERMI NATIO N CLAUS E.
4 4 6	7/3/447	12/2022	TMMMED HEALTH INC	CORPOR ATE SERVICES	OCCUPATIO NAL HEALTH MEDICAL TESTING PRACTITION ER FOR UMGUNGUN DLOVU MUNICIPALI TY	R 2 335 411, 70	R 2 335 411,70	R -	0,00 %	2023 /02/ 24	2026 /02/ 23	36	CURR ENT	0	R -	YES	NO	YES	WA NDIL E MAZ IBUK O	>THE FORM OF OFFER IS FOUN D ON PAGE 5 OF THE DOCU MENT AND IS SIGNE D BY THE SERVIC E PROVI DER DATED 1 DECE MBER 2022 >THE CONTR ACT PERIO D IS 36 MONT HS ON PAGE 3 >IN TERMS OF THE BID DOCU MENT ,GENE RAL

																				CONDI TIONS OF TENDE R THERE IS AN EARLY TERMI NATIO N CLAUS E. >THE CONTR ACT START DATE IS TAKEN FROM THE APPOI NTME NT LETTER DATE OF 24 FEBRU ARY 2023 >THE CONTR ACT FORM S PART OF THE BID DOCU MENT AND REFER S TO THE GCC >THE RENE WAL

																				OF CONTR ACT CLAUS E CAN BE FOUN D ON PAGE 47 OF THE DOCU MENT
4 5 3	7/3/454	RT15- 2021	TELKOM	CORPOR ATE SERVICES	PROVISION OF VOIP TELEPHONE SYSTEM	R 10 938 045, 66	R 5 338 086,63	R -	0,00 %	2023 /05/ 03	2026 /05/ 04	36	CURR ENT	0	R -	YES	NO	YES	WA NDIL E MAZ IBUK O	>THE CONTR ACT FORM S PART OF A TRANS VERSA L AGREE MENT CONTR ACT RT15- 2021 >THE CONTR ACT START DATE IS TAKEN FROM THE APPOI NTME NT LETTER IS TAKEN FROM THE APPOI NTME NT

																				LETTER DATED 03 MAY 2023 >THE CONTR ACT AMOU NT IS R10 938 045.66 TAKEN FROM THE PROPO SAL FROM SERVIC E PROVI DER >THE CONTR ACT DURAT ION IS 36 MONT HS
492	7/3/493	14/2023	CLEAN SPOT SOLUTIONS	CORPORATE SERVICES	SUPPLY AND DELIVERY OF STAFF UNIFORMS AND PROTECTIVE CLOTHING	R 4 142 368,84	R 4 142 368,84	R -		2023 /11/ 24	2026 /11/ 23	36	CURRENT	0	R -	YES	NO	NO	WANDILE MAZIBUKO	>THE CONTR ACT START DATE IS TAKEN FROM THE APPOINTMENT LETTER DATED 24 NOVEMBER

																				2023. >THE CONTR ACT DURAT ION IS 36 MONT HS >THER E IS NO CONTR ACT VALUE AS IT IS RATES BASED >THE CONTR ACT IS IN TERMS OF GCC
4 9 8	7/3/ 499	15/202 3	SIYANDA AND AYABONGA T/A INDONI YAMANZI	TECHNIC AL & INFRASTR UCTUR E SERVICES	PANEL FOR THE CONSTRUCTI ON OF RUDIMENTA RY BOREHOLES	R -	R -	R -	0,00 %	2023 /11/ 24	2026 /11/ 23	36	CURR ENT	0	R -	YES	NO	NO	WA NDIL E MAZ IBUK O	>THE CONTR ACT START DATE IS TAKEN FROM THE APPOI NTME NT LETTER DATED 24 NOVE MBER 2023 >THER E IS NO CONTR ACT AMOU NT AS

																				IT IS ONLY A PANEL APPOINTMENT >THE DURATION OF THE PANEL IS 36 MONTHS
506	7/3/507	REQ04385/2023	GAGASI IT	CORPORATE SERVICES	PROVISION OF ANTIVIRUS SOFTWARE RENEWAL	R3905858,85	R2580100,90	R1325757,95	0,00%	2023/12/08	2026/12/07	36	CURRENT	0	R-	YES	NO	NO	WANDILE MAZIBUKO	>THE CONTRACT START DATE IS TAKEN FROM THE APPOINTMENT LETTER DATED 08 DECEMBER 2023. >THE CONTRACT DURATION IS 36 MONTHS >THE CONTRACT VALUE IS R3905858.85

																			>THE CONTRACT IS IN TERMS OF GCC

Appendix I: Service Provider Performance Schedule

ASSESSMENT OF EXTERNAL SERVICE PROVIDERS PERFORMANCE

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

Example:

Assessment Key	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
38/2020	Nated System	2024/01/04	Software Application Management System	R 575 000	G			G		
RFQ04387/2023	Nated System	2024/03/24	Install LAN Infrastructure	R 4 682 748	G				S	
20/2024	Nated System	2024/07/08	To Conduct Water Meter Audit	Rate Based	G			G		
45/2024	Nated System	2024/05/10	To Conduct Water Meter Readings	Rate Based	G			G		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
20/2024	Advannotech (Pty) Ltd	2024/06/20	Water Meter Audit	Rate Based	G			G		
16/2023	Owethu Owabo Consulting (Pty) Ltd	2024/03/20	Trustfeed Phase 1	Rate Based	G			G		
37/2023	Makhaotse, Narasimulu	2024/03/20	Nhlambamasoka,Nhlthimbe	Rate Based	G			G		
24/2023	Fma Engineers	2024/03/24	Qqulo Bulk And Retic	Rate Based	G			G		
21/2023	BMK Group (Pty) Ltd	2024/03/20	Inhlazuka Phase 5 Pump Station	Rate Based	G			G		
34/2023	Ensync Engineers (Pty) Ltd	2024/03/20	Ac Pipeline Replace	Rate Based	G			G		
25/2023	IX Engineers (Pty) Ltd	2024/03/20	Thendele Rocky Drift Water	Rate Based	G			G		
4390/2023	Khanya Afrika	2024/01/26	Supply & Storage Infrastructure	R4 827 702	G				S	
23/2023	Bm JV Zernies	2024/05/17	Housing Development (Khayelisha, Cedara)	R 4 587 893	G			G		
22/2019	Scelo Business Consulting	2020/06/17	Leasing Of 4 New Emergency Response Vehicles	R 18 381 600	G			G		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
51/2023	Mathonsi Investments	2024/02/20	Drilling Boreholes	Rate Based	G			G		
03/2024	Jade Star Trading Cc	2024/05/4	Drilling Boreholes	R 6 005 939	G			G		
08/2024	Talbot Laboratories	2021/08/11	Water Quality Analysis	Rates Based	G			G		
12/2024	Siyanda Ayabonga	2024/06/24	Drilling Of 5 Boreholes In LM's	R 1 522 994	G			G		
14/2024	SM Properties Interiors	2024/06/24	Leasing Of Premises – Stores Warehouse	R 1 910 887	G			G		
15/2024	SM Properties Interiors	2024/06/24	Leasing Of Premises – Mooi River Fire Stations	R 993 282	G			G		
07/2024	Mbova Construction	2024/06/24	AC Replacements	R 48 104 035	G			G		
14/2023	Clean Spot Solutions	2024/01/30	Provision Of Staff Uniforms And Personal Protective Clothing	R 1 666 806	G			G		
28/2019	Proudfoot Investment Cc	2020/06/17	Lease Of Warehouse Space	Rates Based	G			N/A		
N/A	Ithala Development Finance Corporation Limited	2016/12/01	Lease Of Premises: Unit 25 Howick Shopping Centre	Rates Based		S		G		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
N/A	uMngeni Local Municipality	2019/04/10	Lease Of Hilton Customer Care	R 342 585	G			N/A		
19/2023	Serenity Financial Services Cc	2024/07/27	Provision Of Short-Term Insurance	Rates Based	G			G		
N/A	Umgeni Water	2006/05/10	Bulk Water Supply	Rates Based	G			G		
05/2023	Hamilton Hydraulic Services Cc	2024/03/01	Supply And Deliver Gas Or Petrol Jaws Of Life	R 799 841	G			N/A		
N/A	Royal Haskoning DHV/ Atana	2018/10/12	KwaMathwanya Water Reticulation Scheme	Rates Based	G			G		
37/2020	Hidrotech Infra (Pty) Ltd	2021/01/18	Mpolweni Water Supply Scheme	R 213 815 852	G			G		
40/2020	Aqua Transport And Plant Hire (Pty) Ltd	2021/05/01	Supply Of Water Tankers	Rates Based				G		
N/A	Escongweni BPH Engineers	2021/02/15	Engineering Consulting: Nkanyezini Water Supply	Rates Based	G			G		
07/2021	Afriscan Construction (Pty) Ltd	2021/11/29	Nkanyezini Secondary Bulk Water Supply Scheme	R 120 890 000	G			G		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
03/2021	Jade Star Cc Trading As Electric And Pump Services	2021/12/01	Electrical And Mechanical Maintenance Services	Rates Based	G			G		
20/2020	Soundrite Construction And Plant Hire (Pty) Ltd	2021/02/01	Installation Of Pre-Cast Concrete VIP Toilet Units	R 70 208 544	G					
N/A	Sukuma Consulting Engineers	2018/10/12	Trustfeed Project	Rates Based	G			N/A		
20/2021	Fleet Horizon Solution Services	2022/03/01	Supply Vehicle On A Full Maintenance Lease	R 35 394 947		S		G		
N/A	Richmond Local Municipality	2020/03/01	Leasing Of Property: Richmond Fire Station	-		S			S	
16/2021	Yuretek Business Machine	2022/05/10	Provision Of 33 Multifunctional Photocopies	Rates Based		S			S	
08/2024	Talbot Laboratories (Pty) Ltd	2022/12/01	Supply Water Quality Monitoring Systems	Rate Based	G			G		
26/2023	Urban Econ Dev Economist (Pty)	2024/05/10	To Provide Strategy Review	R 328 350	G			N/A		
UMDM-MMR-006	Aet- Security	2022/12/01	Provision Of Security Services	Rate Based	G			G		
UMDM-MMR-007	Real Sec (Pty) Ltd	2022/12/01	Provision Of Security Services	Rate Based	G			G		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
UMDM-MMR-008	Sizowakha Services	2022/12/01	Provision Of Security Services	Rate Based	G			G		
REQ02837/2023	Maximum Profit Recovery (Pty) Ltd	2021/12/03	Value Added Tax Review And Recovery Services	R 13 362 970		S		G		
12/2022	TMMMED Health Inc	2023/02/24	Occupational Health Medical Testing Practitioners	Rate Based		S		G		
20/2024	Blue Oaks Capital (Pty) Ltd	2024/02/27	Conduct Water Meter Audit	Rate Based	G			N/A		
06/2023	Siyathuthu Development T/A Inzuzo Yesizwe (Pty) Ltd	2024/03/20	Review LED Strategy	R 518 650	G			N/A		
01/2023	Pee 4 Eem Construction And Projects	2023/04/06	Installation & Refurbishment Of Boreholes For Impendle, Mpofana And UMshwathi	R 8 999 800		S		N/A		
RT15-2021	Telkom	2023/05/03	Provision Of VOIP Telephone System	R 10 938 046			P		S	
11/2022	Ensync Engineering (Pty) Ltd	2023/05/29	Review Of The Water Services Development Plan	R 968 475	G			N/A		
14/2021	Ensync Engineering (Pty) Ltd	2022/03/18	Engineering Consultants: Nkanyezini Water Supply Project	Rate Based	G			G		
14/2021	Ensync Engineering (Pty) Ltd	2022/03/18	Engineering Consultants: Thokozani, Mpolweni & Claridge Water Supply Scheme	Rate Based	G			G		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
14/2021	Royal Haskononing DHV	2022/03/18	Engineering Consultants: KwaMathwanya Water Reticulation	Rate Based	G			G		
N/A	Matthew Francis Inc	2022/05/18	Debt Collection Services	Rate Based	G			G		
N/A	Mhlanga Inc	2022/05/18	Debt Collection Services	Rated Based	G			G		
N/A	Hughes Madondo Inc	2022/05/18	Debt Collection Services	Rate Based	G			N/A		
N/A	Mazibuko Z And Associates	2022/05/18	Debt Collection Services	Rate Based	G			N/A		
47/2023	Scelo Business Consulting	2024/11/12	Leasing Of Used Fire Engines And Emergency Response Vehicles	R 19 623 600.00				G		
43/2024	Mathonsi Investments T/A Dudula Civils	2024/11/28	Boreholes Equipping Project Within UMngeni Local Municipality	R 4 828 950.28				G		
26/2024	HGI Investment (Pty) Ltd	2025/03/13	Construction Of The Trustfeed Water Supply Scheme Phase 2	R 4 913 449.99				G		
05/2025	Jade Star Cc Trading	2025/02/27	8x Boreholes Equipping Project Within Mpofana	R 3 135 618.75				G		
12/2025	Siyanda & Ayabonga Trading	2025/02/27	5x Boreholes Equipping Project Within Mpofana	R 2 090 939.00				G		

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Value of project	Previous Financial Year (2023-24)			Current Financial Year (2024-25)		
					G	S	P	G	S	P
30/2024	Soundrite Construction And Plant Hire (Pty) Ltd	2024/11/04	Provision Of VIP Toilets Programme	RATE BASED				G		
24/2024	Kwangwane Contracting And Trading Cc	2025/04/29	Supply, Installation, Commission And Refurbishment Of Park Homes And Mobile Showers	R 581 624.00				G		
16/2024	Siphumbani Trading	2025/03/28	5x Boreholes Drilling Projects In Impendle	R 1 857 424.32				G		
22/2025	Mathonsi Investments T/A Dudula Civils	2025/05/13	Boreholes Equipping Project Across 3 Local Municipalities.	R 3 920 614.50				G		
17/2025	Maximum Profit Recovery (Pty) Ltd	2025/04/23	Provision Of Vat Review/Recovery Services	R 581 624.00				G		
40/2025	Moreku Fleet Solutions	2025/03/13	Vehicle Fleet On Full Maintenance Lease	R 45 352 531.93				G		
32/2024	Imvusa Trading 595cc	2024/11/04	Construction Of Mpofana Bulk Connection And Bruntville/ Phumulaas	R 54 722 599.71				G		
38/2024	Lethokuhle Investments	2024/11/28	Nyamvubu Community Water Supply Scheme	R 51 397 403.62				G		
REQ05576	Ensync Engineering (Pty) Ltd	2025/04/07	Annual Review Of The Water Services Development	R 397 020.39				G		

Appendix J:
Disclosure of Financial Interest
Senior Management

Name of Official	Gender	Position	Function	Performance Agreement Signed Yes/No
Dr EX Muthwa (01 July 2024 - 30 June 2025)	Male	Municipal Manager	Overall Municipal Administration Internal Audit and Risk Management Mayoralty (Social Programmes) and Communication Inter-Governmental Relations Strategic Planning and Integrated Development Planning Performance Management Water Services Authority	Yes
Mr. J Dlamini (01 July 2024 - 30 June 2025)	Male	Executive Manager: Technical Services (Acting)	Provision and Management of Water and Sanitation. Water and Sanitation Infrastructure Development and Maintenance.	Yes
Mr. V Kunene (01 July 2024 - 30 June 2025)	Male	Chief Financial Officer	Financial Services: Budget, Financial Reporting, Revenue and Expenditure Management, Asset Management, Supply Chain Management	Yes
Ms L Hadebe (01 July 2024- 30 June 2025)	Female	Executive Manager: Community Services	Environmental Health Services, Local Economic Development, Fire and Disaster Management.	Yes

Appendix K: Revenue Collection Performance

APPENDIX K(I)

REVENUE COLLECTION PERFORMANCE VOTE		
	AMOUNT	%
VOTE 2: FINANCE AND ADMINISTRATION	571 921 318	60

APPENDIX K(II)

REVENUE COLLECTION PERFORMANCE BY SOURCE		
	AMOUNT	
VOTE 2: WATER AND SANITATION	571 921 318	60

Appendix L: Conditional Grants Received: Excluding MIG and WSIG

Conditional Grants Received: Excluding MIG & WSIG				
Description	Original Budget	Final Adj. Budget	Actuals (current year)	Variance
				Act - Adj
Expanded Public Works Programme Grant	1 889 000	1 889 000	1 889 000	0
Rural Roads Asset Management Grant	2 840 000	2 840 000	2 840 000	0
Finance Management Grant	1 200 000	1 200 000	1 199 886	0
	5 929 000	5 929 000	5 928 886	0

Appendix N: Capital Programme by Project current year

Project Name	Original Budget 2024/25	Final Adjustment Budget	Total Expenditure	Variance
Infrastructure assets				
Nkanyezini Water	30 885 971.53	16 328 407.00	16 342 768.53	- 14 361.53
Mpolweni	30 244 803.00	23 296 621.30	25 413 893.80	-2 117 272.50
Trust Feeds Phase 1	13 369 358.00	3 320 268.17	1 639 535.49	1 680 732.68

Nhlambamasoka, Nhlathimbe & Khathikhathi Water	9 375 225.00	11 432 758.52	9 823 225.70	1 609 532.82
KwaMathwanya Water Reticulation	4 379 246.00	3 635 429.00	4 794 061.32	-1 158 632.32
Mbhava and Mpethu Water	4 333 913.00	4 508 360.00	4 508 359.55	0.45
Pump Stations		2 578 393.00	2 578 392.61	0.39
Nadi Reticulation	42 674 923.00	469 283.98	469 284.20	- 0.22
Mpofana Bulk- Mpofana village	9 440 933.00	12 510 050.00	13 003 566.45	- 493 516.45
Mt Elias/Efaye Reticulation Extension	5 217 391.00		-	-
HowickAC Pipe Replacement	5 602 280.00	14 040 376.98	12 509 435.56	1 530 941.42
Nyamvubu Water	4 347 826.00	14 065 683.40	13 276 378.84	789 304.56
Drought Relief Programme - Boreholes	11 024 474.00	22 355 302.00	24 182 236.95	-1 826 934.95
Disaster Management Centre	2 500 000.00	60 372.56	60 372.56	0.00
Water Tankers	3 000 000.00		-	-
Municipal Offices	167 800.00		-	-
Machinery and Equipment	1 300 000.00	2 457 930.00	2 417 930.00	40 000.00
Furniture and Fittings	800 000.00	523 344.00	463 052.00	60 292.00
IT Infrastructure	3 000 000.00	1 827 898.00	1 921 839.76	- 93 941.76
IT Software	1 200 000.00	532 563.00	532 563.00	-
IT Hardware	1 639 216.00	1 239 216.00	207 313.00	1 031 903.00
Static Tanks	-	130 343.00	22 345.00	107 998.00
IT Equipment - Drones		1 000 000.00	1 003 511.50	- 3 511.50
Buildings (Parkhomes)			508 368.69	- 508 368.69
	184 503 359.53	136 312 599.91	135 678 434.51	634 165.40

Appendix O: Capital Programme by Project by Ward current year

N/A

Appendix P: Service connection Backlogs at Schools and Clinics

N/A

Appendix Q: Service Backlogs Experienced by the Community where another Sphere of government is responsible for service provision

N/A

Appendix R: Declaration of Loans and Grants Made by the Municipality

Declaration of Loans and Grants made by the municipality 2022/23 Fin Year			
All Organisation or Person in receipt of Loans / Grants provided by the municipality	Nature of project	Conditions attached to Funding	Value 2024/25 R'000
None	N/A	N/A	N/A

Appendix S: Declaration of Returns not Made in due Time under MFMA s71

MFMA Section 71 Returns Not Made During 2023/24 According to Reporting Requirements	
Return	Reason Return has not been properly made on due time
None	N/A

Appendix T: National and Provincial Outcome for local government

None

VOLUME II: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS



uMGUNGUNDLOVU

U M A S I P A L A W E S I F U N D A
D I S T R I C T M U N I C I P A L I T Y
D I S T R I K M U N I S I P A L I T E I T

uMgungundlovu District Municipality and its Municipal Entity Consolidated
Consolidated Annual Financial Statements

for the year ended 30 June 2025

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

General Information

Nature of business and principal activities

Local Authority

Executive Committee

Mayor
Deputy Mayor
Speaker
Chief Whip

M Zuma (ANC)
AS Mabaso (ANC)
NMN Gabela (ANC)
SR Majozi (ANC)
HM Lake (DA)
TC Madondo (DA)
DS Mkhize (ANC)
MS Mthethwa (ANC)
BA Mkhize (IFP)
ME Mpulo (EFF)
SP Zungu (ANC)

Councillors

NB Ahmed (ANC)
MS Branches (EFF)
SD Chonco (DA)
GM Dladla (ANC)
ME Dladla (ANC)
GN Dlamini (ANC)
TI Dlamini (ANC)
ZW Dlamini (ANC)
NW Gasa (ANC)
TA Hlatshwayo (DA)
K Jansen van Rensburg (DA)
NR Khanyile (ANC)
PN Maphanga (IFP)
V Maphumulo (ANC)
B Mkhize (IFP)
SA Mkhize (ANC)
TS Mkhize (ANC)
SN Mncwabe (EFF)
GS Mncwango (ANC)
MC Mshengu (ANC)
K Msomi (ANC)
NW Mtshwara (EFF)
AB Ngcobo (EFF)
S Ngidi (ANC)
MA Ngubane (IFP)
RZ Ngubo (DA)
AN Phungula (DA)
VM Phungula (ANC)
S Reddy (DA)
RS Sokhela (ANC)
LW Wynne (ANC)
NC Zondi (IFP)
MB Zuma (ANC)
NJ Zungu (ANC)

Former Councillors
NE Cebekhulu (ANC)

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

General Information

	L Pienaar (IFP)
Auditors	Auditor General Chartered Accountants (S.A.) Registered Auditors
Registered office	242 Langalibalele Street Pietermaritzburg 3201
Postal address	P O Box 3235 Pietermaritzburg 3200
Controlling entity	uMgungundlovu District Municipality
Bankers	First National Bank

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Index

The reports and statements set out below comprise the consolidated annual financial statements presented to the Municipal Council:

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ABSA	ABSA Bank Limited and its subsidiaries
AFS	Annual Financial Statements
AG	Auditor-General of South Africa
AWIP	Accelerated Water Intervention Project
COGTA	Co-operative Governance and Traditional Affairs
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
EPWP	Expanded Public Works Programme
FAR	Fixed Asset Register
FNB	First National Bank
FMG	Local Government Finance Management Grant
IDP	Integrated Development Plan
IPSAS	International Public Sector Accounting Standards
GRAP	Generally Recognised Accounting Practice
ME's	Municipal Entities
MFMA	Municipal Finance Management Act No. 56 of 2003
MTREF	Medium-term Revenue and Expenditure Framework
MIG	Municipal Infrastructure Grant
PAYE	Pay-as-you-Earn
RASSET	Radical Agrarian Socio-Economic Transformation
RRAMS	Rural Roads Asset Management Grant
SANBI	South African National Biodiversity Institute
SCM	Supply Chain Management
SDBIP	Service Delivery Budget and Implementation Plan
SDL	Skills Development Levy
SEM	Senior Executive Manager
SETA	Sector Education and Training Authority
UIF	Unemployment Insurance Fund
UIFWE	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
UMDM	uMgungundlovu District Municipality
UMEDA	uMgungundlovu Economic Development Agency
URP	Umnjeni Resilience Project
VAT	Value Added Tax
WCA	Workmen's Compensation
WIP	Work-in-progress
WSIG	Water Services Infrastructure Grant

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 consolidated annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the consolidated annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements and was given unrestricted access to all financial records and related data.

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

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

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

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

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

The accounting officer certifies that the salaries, allowances and benefits of councillors as disclosed in note 26 to these financial statements are within the upper limits of the framework as envisaged in section 219 of the Constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act, No. 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

The consolidated annual financial statements set out on pages 5 to 106, which have been prepared on the going concern basis, were approved and signed by the accounting officer on 30 September 2025 .

Accounting Officer
Dr EX Muthwa

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024 Restated*	2025	2024 Restated*
Assets					
Current Assets					
Cash and cash equivalents	3	223 631 350	238 972 631	213 192 676	228 462 986
Consumer debtors	4	104 562 973	57 416 317	104 562 973	57 416 317
Receivables from exchange transactions	5	21 537 102	11 740 688	19 828 653	9 914 767
Receivables from non-exchange transactions	6	9 889 140	15 842 772	9 889 140	15 842 772
Inventories	7	8 182 057	8 316 729	8 182 057	8 316 729
		367 802 622	332 289 137	355 655 499	319 953 571
Non-Current Assets					
Property, plant and equipment	8	2 749 280 370	2 666 752 832	2 746 505 097	2 664 614 171
Intangible assets	9	396 760	35 283	396 759	35 283
Heritage assets	10	4 000	4 000	4 000	4 000
		2 749 681 130	2 666 792 115	2 746 905 856	2 664 653 454
Total Assets		3 117 483 752	2 999 081 252	3 102 561 355	2 984 607 025
Liabilities					
Current Liabilities					
Unspent conditional grants and receipts	11	24 590 592	31 720 453	16 350 365	21 500 138
Payables from exchange transactions	12	248 385 493	226 027 883	247 526 249	225 592 887
Consumer deposits	13	7 802 342	7 533 347	7 802 342	7 533 347
Other financial liabilities	14	16 941 312	15 160 831	16 941 312	15 160 831
Provisions	15	5 613 723	4 721 822	5 613 723	4 721 822
		303 333 462	285 164 336	294 233 991	274 509 025
Non-Current Liabilities					
Other financial liabilities	14	117 439 732	134 381 043	117 439 732	134 381 043
Provisions	15	66 621 340	60 647 000	66 621 340	60 647 000
		184 061 072	195 028 043	184 061 072	195 028 043
Total Liabilities		487 394 534	480 192 379	478 295 063	469 537 068
Net Assets		2 630 089 218	2 518 888 853	2 624 266 292	2 515 069 957
Reserves					
Revaluation reserve	17	67 264 998	50 512 172	67 264 998	50 512 172
Accumulated surplus	18	2 562 824 220	2 468 376 681	2 557 001 294	2 464 557 785
Total Net Assets		2 630 089 218	2 518 888 853	2 624 266 292	2 515 069 957

* See Note 47

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2025	2024 Restated*	2025	2024 Restated*
Revenue					
Revenue from exchange transactions					
Service charges	19	524 258 991	483 921 128	524 258 991	483 921 128
Other income from exchange transactions	20	518 229	484 804	461 694	468 304
Interest received - investment and bank accounts	21	31 658 567	35 417 211	30 508 914	34 566 256
Interest from outstanding debtors	22	106 203 210	83 822 289	106 203 210	83 822 289
Total revenue from exchange transactions		662 638 997	603 645 432	661 432 809	602 777 977
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	23	985 619 197	934 973 062	982 639 109	933 442 381
Public contributions and donations	24	40 000	3 338 731	-	3 338 731
Other transfer revenue 2		-	17 382 096	-	17 382 096
Total revenue from non-exchange transactions		985 659 197	955 693 889	982 639 109	954 163 208
Total revenue		1 648 298 194	1 559 339 321	1 644 071 918	1 556 941 185
Expenditure					
Employee related costs	25	(373 303 051)	(324 412 743)	(365 308 143)	(317 177 634)
Remuneration of councillors and board members	26	(16 756 649)	(16 620 192)	(16 501 166)	(16 517 850)
Depreciation and amortisation	27	(66 920 804)	(55 856 016)	(66 706 726)	(55 638 526)
Finance costs	28	(15 204 210)	(16 859 324)	(15 204 210)	(16 859 324)
Lease rentals on operating lease	29	(25 252 605)	(21 130 901)	(25 004 850)	(20 946 140)
Impairment of non-current assets	30	(724 009)	(35 423 368)	(724 009)	(35 423 368)
Debt Impairment	31	(61 996 778)	(294 711 255)	(61 996 778)	(294 711 255)
Bad debts written off	32	(244 280 342)	(8 290 617)	(244 280 342)	(8 290 617)
Inventory consumed	33	(247 150 716)	(203 735 886)	(247 150 716)	(203 735 886)
Contracted services	34	(271 550 199)	(252 235 277)	(271 550 199)	(252 235 277)
Transfers and Subsidies	35	-	(537 045)	(12 700 000)	(12 037 045)
General Expenses	37	(65 913 854)	(62 364 962)	(59 961 872)	(58 572 839)
Total expenditure		(1 389 053 217)	(1 292 177 586)	(1 387 089 011)	(1 292 145 761)
Gain or loss on disposal of non-current assets held		1 020 732	(118 786)	1 260 944	(54 328)
Actuarial gains/losses		(711 343)	(1 163 000)	(711 343)	(1 163 000)
Inventories losses/write-downs	36	(165 088 979)	(47 554 701)	(165 088 979)	(47 554 701)
Surplus for the year		94 465 387	218 325 248	92 443 529	216 023 395

* See Note 47

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
Economic entity			
Opening balance as previously reported	51 703 936	2 312 919 959	2 364 623 895
Adjustments			
Prior year adjustments	-	(62 868 526)	(62 868 526)
Balance at 01 July 2023 as restated*	51 703 936	2 250 051 433	2 301 755 369
Changes in net assets			
Surplus for the year	-	218 325 248	218 325 248
Realisation of Reserve	(1 191 764)	-	(1 191 764)
Total changes	(1 191 764)	218 325 248	217 133 484
Opening balance as previously reported	50 512 172	2 472 221 361	2 522 733 533
Adjustments			
Change in accounting policy	-	(17 855)	(17 855)
Correction of error	-	(3 844 673)	(3 844 673)
Restated* Balance at 01 July 2024 as restated*	50 512 172	2 468 358 833	2 518 871 005
Changes in net assets			
Revaluation of Buildings	10 794 000	-	10 794 000
Adjustments in respect of revaluation of Buildings	5 958 826	-	5 958 826
Net income (losses) recognised directly in net assets	16 752 826	-	16 752 826
Surplus for the year	-	94 465 387	94 465 387
Total recognised income and expenses for the year	16 752 826	94 465 387	111 218 213
Total changes	16 752 826	94 465 387	111 218 213
Balance at 30 June 2025	67 264 998	2 562 824 220	2 630 089 218
Note(s)	17		
Controlling entity			
Opening balance as previously reported	51 703 936	2 311 402 916	2 363 106 852
Adjustments			
Correction of errors	-	(62 868 526)	(62 868 526)
Balance at 01 July 2023 as restated*	51 703 936	2 248 534 390	2 300 238 326
Changes in net assets			
Surplus for the year	-	216 023 395	216 023 395
Realisation of reserve	(1 191 764)	-	(1 191 764)
Total changes	(1 191 764)	216 023 395	214 831 631
Opening balance as previously reported	50 512 172	2 468 402 435	2 518 914 607
Adjustments			
Correction of errors	-	(3 844 670)	(3 844 670)
Restated* Balance at 01 July 2024 as restated*	50 512 172	2 464 557 765	2 515 069 937
Changes in net assets			
Revaluation of Buildings	10 794 000	-	10 794 000
Adjustments in respect of revaluation of Buildings	5 958 826	-	5 958 826
Net income (losses) recognised directly in net assets	16 752 826	-	16 752 826
Surplus/(Deficit) for the year	-	92 443 529	92 443 529
Total recognised income and expenses for the year	16 752 826	92 443 529	109 196 355
Total changes	16 752 826	92 443 529	109 196 355
Balance at 30 June 2025	67 264 998	2 557 001 294	2 624 266 292
Note(s)	17		

* See Note 47

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note(s)	Economic entity		Controlling entity	
		2025	2024 Restated*	2025	2024 Restated*
Cash flows from operating activities					
Receipts					
Services charges and other receipts from exchange transactions		275 343 713	230 544 771	275 343 713	230 544 771
Transfers and Subsidies and Public contributions		978 522 297	939 828 897	977 489 335	934 412 378
Interest income - Investment		33 462 415	35 750 353	32 312 762	34 899 398
Other cash item		12 300	17 783	-	-
		1 287 340 725	1 206 141 804	1 285 145 810	1 199 856 547
Payments					
Employees and Councillors		(382 957 646)	(337 604 029)	(374 943 065)	(330 392 903)
Suppliers, Service Providers and other		(758 243 265)	(729 622 467)	(752 382 862)	(725 276 349)
Finance costs		(6 400)	(23 057)	(6 400)	(23 057)
Transfers and subsidies		-	(537 045)	(12 700 000)	(12 037 045)
		(1 141 207 311)	(1 067 786 598)	(1 140 032 327)	(1 067 729 354)
Cash generated from operations	39	146 133 414	138 355 206	145 113 483	132 127 193
Cash flows from investing activities					
Purchase of property, plant and equipment	8	(130 674 626)	(202 020 449)	(129 583 724)	(201 809 987)
Purchase of other intangible assets	9	(441 429)	-	(441 429)	-
Net cash flows from investing activities		(131 116 055)	(202 020 449)	(130 025 153)	(201 809 987)
Cash flows from financing activities					
Repayment of other financial liabilities		(15 160 830)	(13 677 958)	(15 160 830)	(13 677 958)
Finance costs - borrowings		(15 197 810)	(16 836 267)	(15 197 810)	(16 836 267)
Net cash flows from financing activities		(30 358 640)	(30 514 225)	(30 358 640)	(30 514 225)
Net increase/(decrease) in cash and cash equivalents		(15 341 281)	(94 179 468)	(15 270 310)	(100 197 019)
Cash and cash equivalents at the beginning of the year		238 972 631	333 152 099	228 462 986	328 660 005
Cash and cash equivalents at the end of the year	3	223 631 350	238 972 631	213 192 676	228 462 986

* See Note 47

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	619 549 000	(77 224 000)	542 325 000	524 258 991	(18 066 009)	58.1
Agency services	550 000	6 073 976	6 623 976	-	(6 623 976)	
Other income	429 000	(200 000)	229 000	518 229	289 229	
Interest received - investment	26 963 198	8 594 000	35 557 198	31 658 567	(3 898 631)	58.2
Interest from outstanding debtors	73 959 000	16 151 000	90 110 000	106 203 210	16 093 210	58.3
Total revenue from exchange transactions	721 450 198	(46 605 024)	674 845 174	662 638 997	(12 206 177)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	972 752 000	19 533 369	992 285 369	985 619 197	(6 666 172)	58.4
Public contributions and donations	-	-	-	40 000	40 000	
Total revenue from non-exchange transactions	972 752 000	19 533 369	992 285 369	985 659 197	(6 626 172)	
Total revenue	1 694 202 198	(27 071 655)	1 667 130 543	1 648 298 194	(18 832 349)	
Expenditure						
Personnel	(374 044 358)	9 140 000	(364 904 358)	(373 303 051)	(8 398 693)	58.5
Remuneration of councillors and board members	(16 904 000)	265 000	(16 639 000)	(16 756 649)	(117 649)	
Depreciation and amortisation	(61 158 070)	-	(61 158 070)	(66 920 804)	(5 762 734)	58.6
Impairment of non current assets	-	-	-	(724 009)	(724 009)	58.7
Finance costs	(15 921 000)	-	(15 921 000)	(15 204 210)	716 790	
Lease rentals on operating lease	(394 000)	132 000	(262 000)	(247 755)	14 245	
Debt Impairment	(167 840 000)	(67 160 000)	(235 000 000)	(61 996 778)	173 003 222	
Bad debts written off	-	-	-	(244 280 342)	(244 280 342)	58.8
Inventory Consumed	(296 339 000)	30 663 000	(265 676 000)	(247 150 716)	18 525 284	58.9
Contracted Services	(244 121 000)	(18 670 000)	(262 791 000)	(271 550 199)	(8 759 199)	
Transfers and Subsidies	(200 000)	(79 000)	(279 000)	-	279 000	
General Expenses	(104 553 770)	(6 716 268)	(111 270 038)	(90 918 704)	20 351 334	58.10
Total expenditure	(1 281 475 198)	(52 425 268)	(1 333 900 466)	(1 389 053 217)	(55 152 751)	
Operating surplus	412 727 000	(79 496 923)	333 230 077	259 244 977	(73 985 100)	
Gain on disposal of assets and liabilities	-	(120 000)	(120 000)	-	120 000	
Actuarial gains/losses	-	-	-	(711 343)	(711 343)	
Inventories losses/write-downs	(105 826 000)	(36 870 000)	(142 696 000)	(165 088 979)	(22 392 979)	
Gain on non-current assets held for sale or disposal groups	-	-	-	1 020 732	1 020 732	
	(105 826 000)	(36 990 000)	(142 816 000)	(164 779 590)	(21 963 590)	
Surplus before taxation	306 901 000	(116 486 923)	190 414 077	94 465 387	(95 948 690)	

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	306 901 000	(116 486 923)	190 414 077	94 465 387	(95 948 690)	

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	3 923 000	4 394 000	8 317 000	8 182 057	(134 943)	
Receivables from exchange transactions	609 019 000	(550 939 000)	58 080 000	126 100 075	68 020 075	
Receivables from non-exchange transactions	-	-	-	9 889 140	9 889 140	
Other current receivables	3 355 000	(333 000)	3 022 000	-	(3 022 000)	
Cash and cash equivalents	453 564 000	(309 475 000)	144 089 000	223 631 350	79 542 350	
	1 069 861 000	(856 353 000)	213 508 000	367 802 622	154 294 622	

Non-Current Assets

Property, plant and equipment	2 788 374 000	(49 288 000)	2 739 086 000	2 749 280 370	10 194 370	
Intangible assets	1 160 000	(629 000)	531 000	396 760	(134 240)	
Heritage assets	4 000	-	4 000	4 000	-	
	2 789 538 000	(49 917 000)	2 739 621 000	2 749 681 130	10 060 130	

Total Assets

3 859 399 000 (906 270 000) 2 953 129 000 3 117 483 752 164 354 752

Liabilities

Current Liabilities

Other financial liabilities	16 942 000	-	16 942 000	16 941 312	(688)	
Payables from exchange transactions	457 985 000	(339 013 000)	118 972 000	248 385 493	129 413 493	
Consumer deposits	7 233 000	300 000	7 533 000	7 802 342	269 342	
Unspent conditional grants and receipts	16 350 000	5 150 000	21 500 000	24 590 592	3 090 592	
Provisions	12 338 000	1 136 000	13 474 000	5 613 723	(7 860 277)	
VAT Payable	95 351 000	44 373 000	139 724 000	-	(139 724 000)	
	606 199 000	(288 054 000)	318 145 000	303 333 462	(14 811 538)	

Non-Current Liabilities

Other financial liabilities	117 440 000	-	117 440 000	117 439 732	(268)	
Provisions	60 352 000	295 000	60 647 000	66 621 340	5 974 340	
	177 792 000	295 000	178 087 000	184 061 072	5 974 072	

Total Liabilities

783 991 000 (287 759 000) 496 232 000 487 394 534 (8 837 466)

Net Assets

3 075 408 000 (618 511 000) 2 456 897 000 2 630 089 218 173 192 218

Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Revaluation reserve	51 704 000	(1 192 000)	50 512 000	67 264 998	16 752 998	
Accumulated surplus	3 023 874 000	(617 489 000)	2 406 385 000	2 562 824 220	156 439 220	
	3 075 578 000	(618 681 000)	2 456 897 000	2 630 089 218	173 192 218	

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Service charges and other receipts from exchange transactions	379 877 000	(65 411 000)	314 466 000	275 343 713	(39 122 287)
Transfers and subsidies	961 045 000	9 472 000	970 517 000	978 522 297	8 005 297
Interest received	25 713 000	52 748 000	78 461 000	33 462 415	(44 998 585)
Other revenue	-	-	-	12 300	12 300
	1 366 635 000	(3 191 000)	1 363 444 000	1 287 340 725	(76 103 275)

Payments

Suppliers and employees	(982 593 000)	(288 505 000)	(1 271 098 000)	(1 141 200 911)	129 897 089
Transfer and subsidies	(3 221 000)	-	(3 221 000)	-	3 221 000
Finance costs	-	-	-	(6 400)	(6 400)
	(985 814 000)	(288 505 000)	(1 274 319 000)	(1 141 207 311)	133 111 689

Net cash flows from operating activities	380 821 000	(291 696 000)	89 125 000	146 133 414	57 008 414

Cash flows from investing activities

Purchase of property, plant and equipment	(211 903 000)	48 463 000	(163 440 000)	(130 674 626)	32 765 374
Purchase of other intangible assets	-	-	-	(441 429)	(441 429)
Repayment of other financial liabilities	-	-	-	(15 160 830)	(15 160 830)
Finance costs	-	-	-	(15 197 810)	(15 197 810)
Net cash flows from investing activities	(211 903 000)	48 463 000	(163 440 000)	(161 474 695)	1 965 305

Net increase/(decrease) in cash and cash equivalents	168 918 000	(243 233 000)	(74 315 000)	(15 341 281)	58 973 719

Cash and cash equivalents at the beginning of the year	299 809 000	(71 582 000)	228 227 000	238 972 631	10 745 631

Cash and cash equivalents at the end of the year	468 727 000	(314 815 000)	153 912 000	223 631 350	69 719 350

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Controlling entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	-	15 000	15 000	-	(15 000)	
Service charges	619 549 000	(77 224 000)	542 325 000	524 258 991	(18 066 009)	
Other income	429 000	(259 000)	170 000	461 694	291 694	
Interest received - investment	25 713 000	8 594 000	34 307 000	30 508 914	(3 798 086)	
Interest from outstanding debtors	73 959 000	16 151 000	90 110 000	106 203 210	16 093 210	
Total revenue from exchange transactions	719 650 000	(52 723 000)	666 927 000	661 432 809	(5 494 191)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	973 252 000	9 753 000	983 005 000	982 639 109	(365 891)	
Total revenue	1 692 902 000	(42 970 000)	1 649 932 000	1 644 071 918	(5 860 082)	
Expenditure						
Personnel	(365 584 000)	9 140 000	(356 444 000)	(365 308 143)	(8 864 143)	
Remuneration of councillors	(16 484 000)	165 000	(16 319 000)	(16 501 166)	(182 166)	
Depreciation and amortisation	(60 943 000)	-	(60 943 000)	(66 706 726)	(5 763 726)	
Impairment loss/ Reversal of impairments	-	-	-	(724 009)	(724 009)	
Finance costs	(15 921 000)	-	(15 921 000)	(15 204 210)	716 790	
Debt Impairment	(167 840 000)	(67 160 000)	(235 000 000)	(61 996 778)	173 003 222	
Bad debts written off	-	-	-	(244 280 342)	(244 280 342)	
Inventory Consumed	(296 339 000)	30 805 000	(265 534 000)	(247 150 716)	18 383 284	
Contracted Services	(244 121 000)	(18 670 000)	(262 791 000)	(271 550 199)	(8 759 199)	
Transfers and Subsidies	(12 900 000)	(79 000)	(12 979 000)	(12 700 000)	279 000	
General Expenses	(100 078 000)	1 710 000	(98 368 000)	(84 966 722)	13 401 278	
Total expenditure	(1 280 210 000)	(44 089 000)	(1 324 299 000)	(1 387 089 011)	(62 790 011)	
Operating surplus	412 692 000	(87 059 000)	325 633 000	256 982 907	(68 650 093)	
Gain on disposal of assets and liabilities	-	(120 000)	(120 000)	-	120 000	
Actuarial gains/losses	-	-	-	(711 343)	(711 343)	
Inventories losses/write-downs	(105 826 000)	(36 870 000)	(142 696 000)	(165 088 979)	(22 392 979)	
Gain on non-current assets held for sale or disposal groups	-	-	-	1 260 944	1 260 944	
	(105 826 000)	(36 990 000)	(142 816 000)	(164 539 378)	(21 723 378)	
Surplus before taxation	306 866 000	(124 049 000)	182 817 000	92 443 529	(90 373 471)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	306 866 000	(124 049 000)	182 817 000	92 443 529	(90 373 471)	

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	3 923 000	4 394 000	8 317 000	8 182 057	(134 943)	
Receivables from exchange transactions	454 950 000	(287 238 000)	167 712 000	19 828 653	(147 883 347)	
Receivables from non-exchange transactions	-	-	-	9 889 140	9 889 140	
VAT receivables	154 069 000	(19 701 000)	134 368 000	-	(134 368 000)	
Other current assets	3 355 000	(333 000)	3 022 000	-	(3 022 000)	
Consumer debtors	-	-	-	104 562 973	104 562 973	
Cash and cash equivalents	453 564 000	(309 475 000)	144 089 000	213 192 676	69 103 676	
	1 069 861 000	(612 353 000)	457 508 000	355 655 499	(101 852 501)	

Non-Current Assets

Property, plant and equipment	2 788 374 000	(49 288 000)	2 739 086 000	2 746 505 097	7 419 097	
Intangible assets	1 160 000	(629 000)	531 000	396 759	(134 241)	
Heritage assets	4 000	-	4 000	4 000	-	
	2 789 538 000	(49 917 000)	2 739 621 000	2 746 905 856	7 284 856	

Total Assets

3 859 399 000 (662 270 000) 3 197 129 000 3 102 561 355 (94 567 645)

Liabilities

Current Liabilities

Other financial liabilities	16 942 000	-	16 942 000	16 941 312	(688)	
Payables from exchange transactions	457 985 000	(339 013 000)	118 972 000	247 526 245	128 554 245	
Consumer deposits	7 233 000	300 000	7 533 000	7 802 342	269 342	
Unspent conditional grants and receipts	16 350 000	5 150 000	21 500 000	16 350 365	(5 149 635)	
Provisions	12 338 000	1 136 000	13 474 000	5 613 723	(7 860 277)	
VAT Payable	95 351 000	44 373 000	139 724 000	-	(139 724 000)	
	606 199 000	(288 054 000)	318 145 000	294 233 987	(23 911 013)	

Non-Current Liabilities

Other financial liabilities	117 440 000	-	117 440 000	117 439 732	(268)	
Provisions	60 352 000	295 000	60 647 000	66 621 340	5 974 340	
	177 792 000	295 000	178 087 000	184 061 072	5 974 072	

Total Liabilities

783 991 000 (287 759 000) 496 232 000 478 295 059 (17 936 941)

Net Assets

3 075 408 000 (374 511 000) 2 700 897 000 2 624 266 296 (76 630 704)

Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Revaluation reserve	51 704 000	(1 192 000)	50 512 000	67 264 998	16 752 998	
Accumulated surplus	3 023 704 000	(373 319 000)	2 650 385 000	2 557 001 294	(93 383 706)	
	3 075 408 000	(374 511 000)	2 700 897 000	2 624 266 292	(76 630 708)	

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Service charges and other receipts from exchange transactions	379 877 000	(65 411 000)	314 466 000	275 343 713	(39 122 287)
Interest received	25 713 000	52 748 000	78 461 000	32 312 762	(46 148 238)
Transfers and subsidies and public donations	612 800 000	9 753 000	622 553 000	977 489 335	354 936 335
Other revenue	360 945 000	(281 000)	360 664 000	-	(360 664 000)
	1 379 335 000	(3 191 000)	1 376 144 000	1 285 145 810	(90 998 190)

Payments

Employee and suppliers costs	(982 593 000)	(288 231 000)	(1 270 824 000)	(1 127 325 927)	143 498 073
Finance costs	-	-	-	(6 400)	(6 400)
Transfer and subsidies	(15 921 000)	-	(15 921 000)	(12 700 000)	3 221 000
	(998 514 000)	(288 231 000)	(1 286 745 000)	(1 140 032 327)	146 712 673

Net cash flows from operating activities

380 821 000	(291 422 000)	89 399 000	145 113 483	55 714 483

Cash flows from investing activities

Purchase of property, plant and equipment	(211 903 000)	48 463 000	(163 440 000)	(129 583 724)	33 856 276
Purchase of other intangible assets	-	-	-	(441 429)	(441 429)

Net cash flows from investing activities

(211 903 000)	48 463 000	(163 440 000)	(130 025 153)	33 414 847

Cash flows from financing activities

Repayment of other financial liabilities	-	-	-	(15 160 830)	(15 160 830)
Finance costs	-	-	-	(15 197 810)	(15 197 810)

Net cash flows from financing activities

-	-	-	(30 358 640)	(30 358 640)

Net increase/(decrease) in cash and cash equivalents	168 918 000	(242 959 000)	(74 041 000)	(15 270 310)	58 770 690

Cash and cash equivalents at the beginning of the year	299 809 000	(71 582 000)	228 227 000	228 462 986	235 986

Cash and cash equivalents at the end of the year	468 727 000	(314 541 000)	154 186 000	213 192 676	59 006 676

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

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

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

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these consolidated annual financial statements, are disclosed below.

1.1 Presentation currency

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

All amounts presented are rounded off to the nearest Rand.

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

The economic entity assesses its for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for is calculated on an individual account basis, based on ageing, historical payments and/or payment arrangements.

Impairment testing

The recoverable amounts of non-cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The economic entity 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. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

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 15 - Provisions.

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the wastewater and water networks. This estimate is based on industry norms. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for Buildings which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.4 Property, plant and equipment (continued)

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited in revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	Fair value (5-100 years)
Plant and machinery	Straight line	10 to 20 years
Furniture and fixtures	Straight line	10 to 15 years
Motor vehicles	Straight line	10 to 15 years
IT equipment	Straight line	10 to 15 years
Computer software	Straight line	5 to 15 years
Infrastructure: Water & Sanitation	Straight line	10 to 100 years
Fire Engines	Straight line	15 to 20 years
Mobile Offices	Straight line	15 to 20 years
Heavy machinery	Straight line	15 to 20 years

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 economic entity. 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 economic entity assesses, at each reporting date, whether there is any indication that the economic entity 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 economic entity 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 derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

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1.5 Intangible assets (continued)

An intangible asset is recognised when:

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

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

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

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 that 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 periods and the amortisation methods for intangible assets are reviewed at each reporting date.

The re-assessment of the useful life of an intangible asset to a finite useful life where it was initially classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software	Straight line	3 - 5 years
Websites	Straight line	3 - 5 years

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognised:

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

1.6 Heritage assets

Assets are resources controlled by a economic entity as a result of past events and from which future economic benefits or service potential are expected to flow to the economic entity.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

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Accounting Policies

1.6 Heritage assets (continued)

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a economic entity's operations that is shown as a single item for the purpose of disclosure in the consolidated 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.

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

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a economic entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

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 non-cash-generating asset is the present value of the asset's remaining service potential.

The economic entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements.

The economic entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Recognition

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

Initial measurement

Heritage assets are measured at cost.

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

Impairment

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

1.7 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.

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.

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

A financial asset is:

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

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Accounting Policies

1.7 Financial instruments (continued)

- 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 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.

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.

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

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

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

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

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

Classification

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

Class

Trade and other receivables
Consumer Debtors
Cash and cash equivalents

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
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

Trade and other payables
Loan from Development Bank of South Africa
Consumer Deposits

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost

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Accounting Policies

1.7 Financial instruments (continued)

Initial recognition

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

The Municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and collectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

1.8 Tax

Value Added Tax

The municipality accounts for Value Added Tax (VAT) on the cash/payments basis, based on the approval received from the Commissioner for South African Revenue Services to an application by the Municipality. Permission has been granted to the Municipality to remit or claim for VAT on the cash/payments basis for receivables or payables.

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Accounting Policies

1.9 Leases

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Inventories

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 or current replacement cost.

Inventories are measured at the lower of cost, net realisable value or current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

Current replacement cost is the cost the economic entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

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

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

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Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the economic entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Basis for estimates of future cash flows

In measuring value in use the economic entity:

- Base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- Base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- Estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.12 Impairment of non-cash-generating assets

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.

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Accounting Policies

1.12 Impairment of non-cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.13 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

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1.13 Employee benefits (continued)

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions whereby 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

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

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Accounting Policies

1.13 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

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Accounting Policies

1.13 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability, the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits; and are available to be used only to pay or fund employee benefits; and are not available to the reporting entity's own creditors (even in liquidation); and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity accounts, not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

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Accounting Policies

1.13 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.13 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other post-retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

uMgungundlovu District Municipality and its Municipal Entity Consolidated

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Accounting Policies

1.13 Employee benefits (continued)

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.14 Provisions and contingencies

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.14 Provisions and contingencies (continued)

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 economic entity

No obligation arises as a consequence of the sale or transfer of an operation until the economic entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 44.

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 economic entity 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 economic entity 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 economic entity considers that an outflow of economic resources is probable, a economic entity 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.

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. These can either be operational or capital in nature.

A capital commitment is a binding agreement to undertake capital expenditure at some set time in the future which has not yet become an actual liability.

An operating commitment is a binding agreement to undertake operating expenditure at some set time in the future which has not yet become an actual liability.

Disclosures in the notes to the financial statements are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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.

1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Control of an asset arises 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.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

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.

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.

Transferred assets are measured at their fair value as at the date of acquisition.

1.18 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.20 Comparative figures (continued)

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are re-classified.

1.21 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.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Irregular expenditure

Irregular expenditure incurred by the municipality is expenditure inclusive of VAT which is in contravention of, or that is not in accordance with, the Municipal Finance Management Act (Act No.56 of 2003); the Municipal Systems Act (Act No.32 of 2000); the Public Office-Bearers Act (Act No. 20 of 1998); or the Supply Chain Management Policy of the municipality or any of the municipality's by-laws giving effect to such policy.

Irregular expenditure that was incurred and identified during the current financial year and which was written off before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which write off is awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only written off in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount written off.

Irregular expenditure that was incurred and identified during the current financial year and which was not written off by the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must, thereafter, be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been written off and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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Accounting Policies

1.24 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.25 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.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.26 Use of Estimates

The preparation of the annual financial statements in conformity with Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.27 Budget information

Economic Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The consolidated annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.28 Related parties

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Accounting Policies

1.28 Related parties (continued)

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The economic entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.30 General expenses

Expenses (such as contracted services, general expenses and transfers and subsidies) are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decrease in net assets, other than those relating to distributions to owners. Generally, expenses are accounted for on an accrual basis at fair value. Under the accrual basis of accounting, expenses are recognised when incurred, usually when goods are received or services are consumed. This may not be when the goods or services are actually paid for. 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.

1.31 Councillors' Remuneration

Salaries, allowances and benefits of councillors as disclosed in note 25 to these annual financial statements are determined with reference to 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, 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2025 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 107 Mergers	To be determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 106 Transfer of Functions Between Entities Not Under Common Control	To be determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 103 (as revised): Heritage Assets	To be determined by the Minister of Finance	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	To be determined by the Minister of Finance	Unlikely there will be a material impact

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Notes to the Consolidated Annual Financial Statements

Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
3. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	295 531	234 013	295 273	233 857
Bank balances	212 963 603	228 263 984	212 897 403	228 229 129
Short-term deposits	10 355 069	10 458 622	-	-
Other cash and cash equivalents	17 147	16 012	-	-
	223 631 350	238 972 631	213 192 676	228 462 986

An amount of R 100 000 is pledged as security for a guarantee to the South African Post office on behalf of the municipality.

R 2 369 is held as a court order notified by the Sheriff.

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 BANK - Salaries Account - 50940092196	1 721 564	4 317 392	10 691 059	1 721 564	4 317 392	10 398 239
FNB BANK Projects Account - 62023616462	(552)	5 964 273	51 519 019	(552)	5 964 273	51 519 018
FNB BANK NSTD Call- Account -62215748289	182 345 368	201 100 000	627 782	182 345 368	201 100 000	627 782
FNB BANK Mandela Race Account - 62411577193	951 464	899 722	852 605	951 464	899 722	851 740
FNB BANK Main Account - 50940026773	7 547 576	9 940 881	260 945 111	7 547 576	9 940 881	261 227 398
FNB BANK SANBI Account - 62597807125	5 070 349	4 783 698	2 776 483	5 070 349	4 783 698	2 776 458
ABSA BANK Mandela Marathon Account - 409362410	1 218 305	1 223 163	1 228 165	1 218 305	1 223 163	1 228 165
FNB BANK - MIG Account - 63110015822	382 714	-	-	382 714	-	-
FNB BANK - Retentions Account - 63110016987	11 248 555	-	-	11 248 555	-	-
FNB BANK - RRAMS Account- 63110016490	27 221	-	-	27 221	-	-
FNB BANK - WSIG Account - 63110014618	2 384 838	-	-	2 384 838	-	-
FNB BANK -Cheque Account - 6271166	62 856	34 855	22 654	62 856	34 855	22 654
FNB BANK -Cheque Account - 62838452605	17 147	16 012	15 861	17 147	16 012	15 861
FNB BANK -Cheque Account - 63026183846	10 355 069	10 458 622	4 452 602	10 355 069	10 458 622	4 452 602
FNB BANK -Cheque Account - 63109078378	3 344	-	-	3 344	-	-
Total	223 335 818	238 738 618	333 131 341	223 335 818	238 738 618	333 119 917

4. Consumer debtors from exchange transactions

Gross balances

Water	943 662 332	809 481 764	943 662 332	809 481 764
Sewerage	129 269 422	103 515 026	129 269 422	103 515 026
Refuse	236 157 289	265 400 480	236 157 289	265 400 480
	1 309 089 043	1 178 397 270	1 309 089 043	1 178 397 270

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024
4. Consumer debtors from exchange transactions (continued)				
Less: Allowance for impairment				
Water	(868 285 999)	(768 346 452)	(868 285 999)	(768 346 452)
Sewerage	(118 944 670)	(96 333 310)	(118 944 670)	(96 333 310)
Refuse	(217 295 401)	(256 301 191)	(217 295 401)	(256 301 191)
	(1 204 526 070)	(1 120 980 953)	(1 204 526 070)	(1 120 980 953)
Net balance				
Water	75 376 333	41 135 312	75 376 333	41 135 312
Sewerage	10 324 752	7 181 716	10 324 752	7 181 716
Refuse	18 861 888	9 099 289	18 861 888	9 099 289
	104 562 973	57 416 317	104 562 973	57 416 317
Water				
Current (0 -30 days)	49 277 696	45 341 915	49 277 696	45 341 915
31 - 60 days	30 422 854	28 611 223	30 422 854	28 611 223
61 - 90 days	27 172 755	23 728 597	27 172 755	23 728 597
91 - 120 days	19 580 043	25 177 630	19 580 043	25 177 630
121 - 365 days	19 762 342	22 993 937	19 762 342	22 993 937
> 365 days	797 446 642	663 628 462	797 446 642	663 628 462
	943 662 332	809 481 764	943 662 332	809 481 764
Sewerage				
Current (0 -30 days)	5 995 201	4 848 031	5 995 201	4 848 031
31 - 60 days	4 274 665	4 016 361	4 274 665	4 016 361
61 - 90 days	3 805 554	3 514 340	3 805 554	3 514 340
91 - 120 days	2 857 066	4 949 273	2 857 066	4 949 273
121 - 365 days	3 014 727	3 274 090	3 014 727	3 274 090
> 365 days	109 322 209	82 912 930	109 322 209	82 912 930
	129 269 422	103 515 025	129 269 422	103 515 025
Interest				
Current (0 -30 days)	8 426 835	8 573 024	8 426 835	8 573 024
31 - 60 days	8 763 793	8 659 488	8 763 793	8 659 488
61 - 90 days	9 709 522	8 103 142	9 709 522	8 103 142
91 - 120 days	7 954 424	7 862 229	7 954 424	7 862 229
121 - 365 days	7 267 290	7 281 456	7 267 290	7 281 456
> 365 days	194 035 425	224 921 139	194 035 425	224 921 139
	236 157 289	265 400 478	236 157 289	265 400 478

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024
4. Consumer debtors from exchange transactions (continued)				
Summary of debtors by customer classification				
Households				
Current (0 -30 days)	43 761 252	48 503 364	43 761 252	48 503 364
31 - 60 days	34 748 842	34 596 898	34 748 842	34 596 898
61 - 90 days	36 364 473	30 605 524	36 364 473	30 605 524
91 - 120 days	27 241 678	29 549 329	27 241 678	29 549 329
121 - 365 days	26 623 595	29 810 499	26 623 595	29 810 499
> 365 days	992 351 944	882 053 299	992 351 944	882 053 299
	1 161 091 784	1 055 118 913	1 161 091 784	1 055 118 913
Less: Allowance for impairment	(1 082 282 139)	(1 044 933 251)	(1 082 282 139)	(1 044 933 251)
	78 809 645	10 185 662	78 809 645	10 185 662
Industrial/ commercial				
Current (0 -30 days)	(6 057 164)	12 019 990	(6 057 164)	12 019 990
31 - 60 days	5 015 567	3 185 725	5 015 567	3 185 725
61 - 90 days	3 826 848	2 274 303	3 826 848	2 274 303
91 - 120 days	2 894 123	3 972 971	2 894 123	3 972 971
121 - 365 days	3 816 122	1 354 347	3 816 122	1 354 347
> 365 days	67 459 374	48 383 547	67 459 374	48 383 547
	76 954 870	71 190 883	76 954 870	71 190 883
Less: Allowance for impairment	(59 859 078)	(42 593 650)	(59 859 078)	(42 593 650)
	17 095 792	28 597 233	17 095 792	28 597 233
National and provincial government				
Current (0 -30 days)	5 723 398	5 276 703	5 723 398	5 276 703
31 - 60 days	3 513 706	2 835 269	3 513 706	2 835 269
61 - 90 days	(257 468)	1 725 668	(257 468)	1 725 668
91 - 120 days	1 298 297	4 403 863	1 298 297	4 403 863
121 - 365 days	1 125 845	2 301 055	1 125 845	2 301 055
> 365 days	54 496 598	32 105 739	54 496 598	32 105 739
	65 900 376	48 648 297	65 900 376	48 648 297
Less: Allowance for impairment	(57 719 259)	(30 022 987)	(57 719 259)	(30 022 987)
	8 181 117	18 625 310	8 181 117	18 625 310
Place of Worship				
Current (0 -30 days)	290 340	825	290 340	825
31 - 60 days	168 001	822	168 001	822
61 - 90 days	171 780	812	171 780	812
91 - 120 days	123 823	801	123 823	801
121 - 365 days	102 405	795	102 405	795
> 365 days	4 285 664	3 435 120	4 285 664	3 435 120
	5 142 013	3 439 175	5 142 013	3 439 175
Less: Allowance for impairment	(4 665 594)	(3 431 065)	(4 665 594)	(3 431 065)
	476 419	8 110	476 419	8 110
Less: Allowance for impairment				
Allowance for impairment	(1 204 526 070)	(1 120 980 953)	(1 204 526 070)	(1 120 980 953)
Total debtor past due but not impaired				
Current (0 -30 days)	13 565 757	8 878 797	13 565 757	8 878 797
31 - 60 days	15 432 377	6 702 233	15 432 377	6 702 233

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024
4. Consumer debtors from exchange transactions (continued)				
61 - 90 days	11 007 712	6 258 854	11 007 712	6 258 854
91 - 120 days	3 513 210	3 875 249	3 513 210	3 875 249
121 - 365 days	3 986 483	49 184 749	3 986 483	49 184 749
> 365 days	60 670 500	5 072 595	60 670 500	5 072 595
	108 176 039	79 972 477	108 176 039	79 972 477

Reconciliation of allowance for impairment

Balance at beginning of the year	(1 022 980 954)	(826 269 699)	(1 022 980 954)	(826 269 699)
Contributions to allowance	(181 545 116)	(294 711 255)	(181 545 116)	(294 711 255)
	(1 204 526 070)	(1 120 980 954)	(1 204 526 070)	(1 120 980 954)

Consumer debtors pledged as security

There were no consumer debtors that were pledged as security for any liabilities during the period under review
None of the Consumer debtors have been renegotiated.

Consumer debtors past due but not impaired

Consumer debtors which are past due but are not considered to be impaired as at 30 June 2025, R 40 005 846 2024: 45 301 473 were past due but not impaired.

Consumer debtors impaired

As of 30 June 2025, consumer debtors of 181 545 116 (2024: 294 711 255) impaired and provided for.

The amount of the provision was 1 204 526 070 as at 30 June 2025 (2024: 1 120 980 954).

The ageing of these debtors past due and impaired is as follows:

3 to 6 months	91 207 951	84 946 270	91 207 951	84 946 270
Over 6 months	1 108 891 181	970 469 864	1 108 891 181	970 469 864

5. Receivables from exchange transactions

Trade debtors	3 500	-	-	-
Staff Recoveries	538 002	490 090	538 002	490 090
Deposits	1 180 640	1 180 640	1 180 640	1 180 640
Accrued Interest	37 833	1 841 681	37 833	1 841 681
Prepaid Expenses	902 401	476 914	465 940	-
VAT: Input Accrual	18 636 099	7 715 624	17 367 611	6 366 617
Interest: Eskom Deposits	203 288	-	203 288	-
Other debtors	35 339	35 339	35 339	35 339
	21 537 102	11 740 288	19 828 653	9 914 367

6. Receivables from non-exchange transactions

Receivables from non exchange: VAT control	9 889 140	15 842 772	9 889 140	15 842 772
Unauthorised, Irregular, Fruitless and Wasteful Expenditure	16 035 182	16 035 182	16 035 182	16 035 182
Unauthorised, Irregular, Fruitless and Wasteful Expenditure: Impairment	(16 035 182)	(16 035 182)	(16 035 182)	(16 035 182)
	9 889 140	15 842 772	9 889 140	15 842 772

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

7. Inventories

Work in progress	4 396 840	4 556 537	4 396 840	4 556 537
Consumables	221 556	654 700	221 556	654 700
Materials	2 802 175	2 646 021	2 802 175	2 646 021
Water for distribution	761 486	459 471	761 486	459 471
	8 182 057	8 316 729	8 182 057	8 316 729

Inventories recognised as expense	247 150 716	203 735 886	247 150 716	203 735 886

Inventory has been recorded using the weighted average cost method. Consumables are carried at lower of cost or current replacement cost. Materials are carried at lower of cost or net realisable value. No inventory was written down, reversed or written-off as obsolete during the year under review.

Inventory pledged as security

There was no inventory that was pledged as security for liabilities during the year under review.

uMgungundlovu District Municipality and its Municipal Entity Consolidated

Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand

8. Property, plant and equipment

Economic entity

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 970 350	-	2 970 350	2 970 350	-	2 970 350
Buildings	71 536 554	(2 443 458)	69 093 096	60 234 185	(6 705 498)	53 528 687
Plant and machinery	21 503 898	(7 617 849)	13 886 049	20 943 770	(6 163 136)	14 780 634
Furniture and fixtures	7 002 162	(2 958 853)	4 043 309	6 480 014	(2 678 488)	3 801 526
Transport assets	16 808 501	(3 993 300)	12 815 201	11 075 489	(551 888)	10 523 601
IT equipment	16 205 096	(5 318 843)	10 886 253	13 928 670	(4 646 957)	9 281 713
Infrastructure	3 711 453 680	(1 283 757 298)	2 427 696 382	3 235 354 835	(1 221 644 558)	2 013 710 277
Other equipment	309 676	(108 220)	201 456	573 271	(180 779)	392 492
Infrastructure Work-in-Progress	253 107 599	(45 419 325)	207 688 274	603 182 878	(45 419 326)	557 763 552
Total	4 100 897 516	(1 351 617 146)	2 749 280 370	3 954 743 462	(1 287 990 630)	2 666 752 832

Controlling entity

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 970 350	-	2 970 350	2 970 350	-	2 970 350
Buildings	71 536 554	(2 443 458)	69 093 096	60 234 185	(6 705 498)	53 528 687
Plant and machinery	21 503 898	(7 617 849)	13 886 049	20 943 770	(6 163 136)	14 780 634
Furniture and fixtures	6 097 333	(2 734 947)	3 362 386	5 748 884	(2 488 394)	3 260 490
Motor vehicles	15 299 092	(3 655 048)	11 644 044	10 124 598	(281 433)	9 843 165
IT equipment	15 230 784	(5 066 268)	10 164 516	13 211 993	(4 454 977)	8 757 016
Infrastructure	3 711 453 680	(1 283 757 298)	2 427 696 382	3 235 354 835	(1 221 644 558)	2 013 710 277
Infrastructure Work-in-Progress	253 107 599	(45 419 325)	207 688 274	603 182 878	(45 419 326)	557 763 552
Total	4 097 199 290	(1 350 694 193)	2 746 505 097	3 951 771 493	(1 287 157 322)	2 664 614 171

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2025

	Opening balance	Additions	Disposals	Transfers	Revaluations	Adjustments	Depreciation	Impairment loss	Total
Land	2 970 350	-	-	-	-	-	-	-	2 970 350
Buildings	53 528 687	508 369	-	-	10 794 000	5 958 826	(1 696 786)	-	69 093 096
Plant and machinery	14 780 634	36 657	-	-	-	-	(931 242)	-	13 886 049
Furniture and fixtures	3 801 526	664 419	(78 254)	-	-	-	(344 382)	-	4 043 309
Motor vehicles	10 523 601	2 939 792	-	-	-	-	(648 192)	-	12 815 201
IT equipment	9 281 713	3 134 423	(109 032)	-	-	-	(1 420 851)	-	10 886 253
Infrastructure	2 013 710 277	4 070 938	(68 111)	472 478 907	-	-	(61 771 620)	(724 009)	2 427 696 382
Other equipment	392 492	30 810	(193 067)	-	-	-	(28 779)	-	201 456
Other PPE - Infrastructure Work-in- Progress	557 763 552	119 289 213	-	(472 478 907)	-	3 114 416	-	-	207 688 274
	2 666 752 832	130 674 621	(448 464)	-	10 794 000	9 073 242	(66 841 852)	(724 009)	2 749 280 370

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8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2024

	Opening balance	Additions	Disposals	Transfers	Donation received	Adjustments	Depreciation	Impairment loss	Impairment reversal	Total
Land	2 970 350	-	-	-	-	-	-	-	-	2 970 350
Buildings	54 663 021	167 800	-	-	-	-	(1 302 134)	-	-	53 528 687
Plant and machinery	13 909 185	1 201 231	-	-	523 471	-	(853 253)	-	-	14 780 634
Furniture and fixtures	2 925 260	1 190 818	(7 121)	-	-	-	(307 431)	-	-	3 801 526
Motor vehicles	8 204 624	-	-	-	2 793 220	-	(474 243)	-	-	10 523 601
IT equipment	4 561 390	5 857 503	(111 666)	-	22 040	-	(1 047 554)	-	-	9 281 713
Infrastructure	1 750 858 427	503 638	-	318 092 756	-	-	(51 831 465)	-	(3 913 079)	2 013 710 277
Other equipment	419 293	12 501	-	-	-	-	(39 302)	-	-	392 492
Other PPE - Infrastructure	713 965 702	193 086 958	-	(318 092 756)	-	313 937	-	(35 423 368)	3 913 079	557 763 552
Work- in- Progress										
	2 552 477 252	202 020 449	(118 787)	-	3 338 731	313 937	(55 855 382)	(35 423 368)	-	2 666 752 832

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Notes to the Consolidated Annual Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Controlling entity 2025

	Opening balance	Additions	Disposals	Transfers	Revaluations	Adjustments	Depreciation	Impairment loss	Total
Land	2 970 350	-	-	-	-	-	-	-	2 970 350
Buildings	53 528 687	508 369	-	-	10 794 000	5 958 826	(1 696 786)	-	69 093 096
Plant and machinery	14 780 634	36 657	-	-	-	-	(931 242)	-	13 886 049
Furniture and fixtures	3 260 490	420 481	(31 109)	-	-	-	(287 476)	-	3 362 386
Motor vehicles	9 843 165	2 381 274	-	-	-	-	(580 395)	-	11 644 044
IT equipment	8 757 016	2 876 788	(109 032)	-	-	-	(1 360 256)	-	10 164 516
Infrastructure	2 013 710 277	2 600 739	(68 116)	472 478 907	-	-	(61 771 620)	(724 009)	2 427 696 382
Other PPE - Infrastructure Work-in-Progress	557 763 552	119 289 213	-	(472 478 907)	-	3 114 416	-	-	207 688 274
	2 664 614 171	128 113 521	(208 257)	-	10 794 000	9 073 242	(66 627 775)	(724 009)	2 746 505 097

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Notes to the Consolidated Annual Financial Statements

Figures in Rand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment Controlling entity- 2024

	Opening balance	Additions	Disposals	Donations received	Transfers to completed assets	adjustments	Depreciation	Impairment loss	Impairment reversal	Total
Land	2 970 350	-	-	-	-	-	-	-	-	2 970 350
Buildings	54 663 021	167 800	-	-	-	-	(1 302 134)	-	-	53 528 687
Plant and machinery	13 909 185	1 201 231	-	523 471	-	-	(853 253)	-	-	14 780 634
Furniture and fixtures	2 377 455	1 139 288	(2 483)	-	-	-	(253 770)	-	-	3 260 490
Motor vehicles	7 460 795	-	-	2 793 220	-	-	(410 850)	-	-	9 843 165
IT equipment	4 062 169	5 711 072	(51 845)	22 040	-	-	(986 420)	-	-	8 757 016
Infrastructure	1 750 858 427	503 638	-	-	318 092 756	-	(51 831 465)	-	(3 913 079)	2 013 710 277
Other PPE - Infrastructure	713 965 702	193 086 958	-	-	(318 092 756)	313 937	-	(35 423 368)	3 913 079	557 763 552
Work-in-Progress										
	2 550 267 104	201 809 987	(54 328)	3 338 731	-	313 937	(55 637 892)	(35 423 368)	-	2 664 614 171

Pledged as security

There were no property, plant and equipment that was pledged as security during the year under review.

Allocations to Cost of Inventory

The depreciation expense of infrastructure assets to the value of R (2024: R330 023) has been accounted for as part of the cost for Own Source Water (inventory).

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

8. Property, plant and equipment (continued)

Revaluations

The effective date of the revaluations was Monday, 01 July 2024. The municipal buildings fall within the jurisdiction of uMsunduzi Local Municipality. The valuation was performed by uMsunduzi Municipality as prescribed by legislation.

A general valuation roll is determined and produced every four years, as stipulated within the Municipal Property Rates Act (MPRA) No 6 of 2004.

Property valuation data is compiled in a general valuation roll document, which consists of property information of all registered properties, inclusive of the market value and property category.

Buildings are re-valued in line with any amendments made to the respective valuation roll.

The assumptions were based on market conditions during the period of the valuation.

Reconciliation of Work-in-Progress Economic entity - 2025

	Total
Opening balance	557 763 636
Additions/capital expenditure	119 289 213
Transferred to completed items	(472 478 908)
Retention	3 114 203
	207 688 144

Reconciliation of Work-in-Progress Economic entity - 2024

	Total
Opening balance	727 874 737
Additions/capital expenditure	193 400 981
Transferred to completed items	(318 092 757)
Transfer of impairment	(45 419 325)
	557 763 636

Reconciliation of Work-in-Progress 2025

	Total
Opening balance	557 763 636
Additions/capital expenditure	119 289 213
Transferred to completed items	(472 478 908)
Retention	3 114 203
	207 688 144

Reconciliation of Work-in-Progress 2024

	Total
Opening balance	727 874 737
Additions/capital expenditure	193 400 981
Transferred to completed items	(318 092 757)
Transfer of impairment	(45 419 325)
	557 763 636

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

8. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Employee related costs	52 282 078	48 192 393	52 282 078	48 192 393
Contracted services	38 181 036	37 563 462	38 181 036	37 563 462
Inventory consumed	3 796 842	3 927 655	3 796 842	3 927 655
General Expenditure	723 577	4 122 197	723 577	4 122 197
Sewerage Services	91 805 862	93 092 487	91 805 862	93 092 487
	186 789 395	186 898 194	186 789 395	186 898 194

The Capital Projects within Work-in-Progress which are taking longer than expected.

Project Name	Location	Nature of Project	Initial Completion Date	Expected Completion date	Lastest Completion Date	Reasons for Delays	2025	2024
Camperdown CBD AC Pipes Replacement	Mkhambathini	Water	Planning only	30-Jun-26	26-Nov-26	Limited availability of funds on MTREF - Implementation of this project is prioritised for 2025/2026. Completion of designs delayed by two months which lead to tender process delay.	3 694 994,00	3 694 994,46
Cedara Bulk Services	Umgeni	Water	Planning only	30-Jun-27	30-Jun-30	Limited availability of funds on MTREF - Engineering consultant appointed in 2023/24 to revise business plans and to seek external sources of funding.	1 496 436,00	1 496 435,52

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						Economic entity		Controlling entity	
Figures in Rand						2025	2024	2025	2024
8. Property, plant and equipment (continued)									
Construction of Boreholes	District-wide	Water	30 June 2023	30-Sep-24	30-Jun-26	Delays experienced due to dry conditions (poor water quality / no water found after drilling) which resulted to limited budget. Therefore application for addition funding and borehole equipping business plan was approved by DWS March 2025		61 141 593	37 802 231,05
Ebuhleni Housing Project Bulk Water	Mpofana	Water	Planning only	TBC	TBC	Limited availability of funds on the MTREF, expenditure was only for planning no asset attached to it.		2 997 287,00	2 997 286,67
Embuthweni Water Phase 4	Mkhambathini	Water	Planning only	TBC	TBC	Limited availability of funds on MTREF - engineering consultants appointed at risk to seek external sources of funding but due to time lost planning documents done previously is now outdated.		1 517 864,00	1 517 863,63

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						Economic entity		Controlling entity	
Figures in Rand						2025	2024	2025	2024
8. Property, plant and equipment (continued)									
Gengeshe Water	Richmond	Water	Planning only	TBC	TBC	Limited availability of funds on MTREF - engineering consultants appointed at risk to seek external sources of funding but due to time lost planning documents done previously is now outdated.		1 790 190,00	1 790 189,71
Hilton Corridor Development	uMgeni	Water	Planning only	TBC	-	projects is transferred to be implemented by uMgeni-Uthukela water		3 322 094,00	3 322 093,95
Kwamathwanya Water	Mpofana	Water	2021/07/31	28-Feb-25	30-Sep-25	Initial contractor was terminated due to poor performance - procurement process to appoint new contractor delayed. During Construction extension of time is granted to the new contractor.		18 612 901,00	14 987 336,00

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						Economic entity		Controlling entity	
Figures in Rand						2025	2024	2025	2024
8. Property, plant and equipment (continued)									
Mkhambathini Waste Water Works	Mkhambathini	Sanitation	Planning only	TBC	TBC	Limited availability of funds on MTREF - engineering consultants appointed at risk to seek external sources of funding.		3 016 720,00	3 016 719,85
Mooi River Bulk Mains Upgrading	Mpofana	Water	Planning only	TBC	16-Sep-2026	Limited availability of funds on MTREF over past years - Consulting engineer was appointed to undertake designs and Construction commenced in 2024/25		16 063 902,00	2 659 250,00
Mooiriver Ac Pipes Replacement	Mpofana	Water	Planning only	TBC	TBC	Limited availability of funds on MTREF - engineering consultants appointed at risk to seek external sources of funding but due to time lost planning documents done previously is now outdated		1 289 426,00	1 289 425,94

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						Economic entity		Controlling entity	
Figures in Rand						2025	2024	2025	2024
8. Property, plant and equipment (continued)									
Nhlambamasoka, Nhlathimbe & Khathikhathi Water	Impendle	Water	Planning only	TBC	28-Feb-27	Limited availability of funds on MTREF - revised business plan approved by DWS. Engineering consultants appointed to undertake designs and they were approved by UMDM. Project is currently at tender stage.		11 182 766,00	1 359 540,27
Nkangala Water	Mkhambathini	Water	Planning only	TBC	TBC	Plan awaiting completion of Phase 2 of Impendle bulk which is to be implemented by Umgeni-Uthukela Water		208 612,00	208 612,31

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						Economic entity		Controlling entity	
Figures in Rand						2025	2024	2025	2024
8. Property, plant and equipment (continued)									
Phumlas Water Supply Upgrade	Mpofana	Water	Planning only	TBC	16-Sep-26	Limited availability of funds on MTREF over past years - Consulting engineer was appointed to undertake designs and Construction commenced in 2024/25. This project is implemented as one project with Mooi River Bulk Mains Upgrade		820 881,00	820 881,00
Richmond AC Pipes Replacement	Richmond	Water	Planning only	TBC	TBC	Limited availability of funds on MTREF - engineering consultants appointed at risk to seek external sources of funding but due to time lost planning documents done previously is now outdated.		5 906 405,00	5 906 404,58

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Notes to the Consolidated Annual Financial Statements

						Economic entity	Controlling entity	
Figures in Rand						2025	2024	2025
								2024
8. Property, plant and equipment (continued)								
Rosetta Water Upgrade	Mpofana	Water	Planning only	TBC	30-Sep-26	Limited availability of funds on MTREF for past financial years - Implementation of this project is prioritised for 2025/2026. Completion of designs delayed by two months which lead to tender process delay.	635 500,00	635 499,75
Umshwathi Slum Water / Trustfeeds	uMshwathi	Water	22-Mar-22	29-Apr-24	17-Nov-25	Previous Contractor was terminated due to poor performance - New Contractor to complete the works was appointed in April 2025	49 564 252,00	47 930 102,92
Wartburg AC Pipes Replacement	uMshwathi	Water	Planning only	TBC	TBC	Limited availability of funds on MTREF - engineering consultants appointed at risk to seek external sources of funding but due to time lost planning documents done previously is now outdated.	653 594,00	653 594,16

Impairment Recognised

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Figures in Rand	2025	2024	2025	2024

8. Property, plant and equipment (continued)

2025: The municipality recognised an impairment loss of R0 relating to the work in progress.

The municipality has not recognised an impairment loss for any further work-in-progress as these projects will be implemented as and when funding avails whereby the municipality anticipates that the completed project infrastructure assets will be capable of providing the municipality with the intended service potential once construction is completed.

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.

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9. Intangible assets

Economic entity

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 477 275	(1 080 515)	396 760	7 978 866	(7 943 583)	35 283

Controlling entity

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	481 428	(84 669)	396 759	6 983 019	(6 947 736)	35 283

Reconciliation of intangible assets - Economic entity - 2025

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	35 283	441 429	(1 000)	(78 952)	396 760

Reconciliation of intangible assets - Economic entity - 2024

	Opening balance	Amortisation	Total
Computer software, other	35 918	(635)	35 283

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9. Intangible assets (continued)

Reconciliation of intangible assets - Economic entity - 2025

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	35 283	441 429	(1 000)	(78 953)	396 759

Reconciliation of intangible assets - Controlling entity - 2024

	Opening balance	Amortisation	Total
Computer software, other	35 918	(635)	35 283

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10. Heritage assets

Economic entity

2025			2024		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
4 000	-	4 000	4 000	-	4 000

Other Mayoral Chain

Controlling entity

2025			2024		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
4 000	-	4 000	4 000	-	4 000

Other Mayoral Chain

Reconciliation of heritage assets Economic entity - 2025

Other Mayoral Chain

Opening balance	Total
4 000	4 000

Reconciliation of heritage assets Economic entity - 2024

Other Mayoral Chain

Opening balance	Total
4 000	4 000

Reconciliation of heritage assets Economic entity - 2025

Other Mayoral Chain

Opening balance	Total
4 000	4 000

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10. Heritage assets (continued)

Reconciliation of heritage assets Controlling entity - 2024

	Opening balance	Total
Other Mayoral Chain	4 000	4 000

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	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Rural Roads Asset Management Grant	88	88	88	88
Geospatial Grant	34	34	34	34
Water Services Infrastructure Grant	207	208	207	208
Camperdown WWTP Grant	4 000 095	4 000 095	4 000 095	4 000 095
Local Financial Management Grant	113	-	113	-
ORIO Grant	11 550 860	11 550 860	11 550 860	11 550 860
RASSET & DGDS Grant	126 989	306 935	126 989	126 989
N3 Corridor Program	1 750 000	1 750 000	-	-
Mpophomeni Revalitisation Grant	1 000 000	-	-	-
Howick Falls Grant	5 490 227	8 290 369	-	-
Municipal Infrastructure Grant - Operational	13	4 999 999	13	4 999 999
Public Transport Plan Grant	308 817	308 817	308 817	308 817
Spatial Planning Grant	15 255	15 255	15 255	15 255
IDP Spatial Development Grant	335 275	335 275	335 275	335 275
Accelerated Water Intervention Grant - Capital	3	3	3	3
Disaster Recovery Grant	179	179	179	179
Accelerated Water Intervention Grant - Operational	12 336	12 336	12 336	12 336
South African National Biodiversity Grant	101	150 000	101	150 000
	24 590 592	31 720 453	16 350 365	21 500 138

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

11. Unspent conditional grants and receipts (continued)

Movement during the year

Balance at the beginning of the year	31 720 453	27 281 137	21 500 138	20 530 141
Receipts during the year	227 947 000	221 546 000	226 947 000	216 546 000
Repayments during the year	(4 763)	(4 180 000)	(4 763)	(4 180 000)
Income recognition during the year	(235 072 098)	(212 926 684)	(232 092 010)	(211 396 003)
	24 590 592	31 720 453	16 350 365	21 500 138

The nature and extent of government grants recognised in the consolidated annual financial statements is an indication of other forms of government assistance from which the economic entity has directly benefited; and unfulfilled conditions and other contingencies attached to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment until utilised.

12. Payables from exchange transactions

Trade payables	63 671 531	51 989 992	63 539 448	52 016 115
Payments received in advanced (Consumers)	13 434 647	25 828 397	13 434 647	25 828 397
Employee Related Accruals	7 105 348	4 247 866	7 105 348	4 247 866
Leave Pay Provision	25 050 220	23 121 987	24 511 641	22 748 304
Accrued bonus	9 016 501	8 110 092	8 827 919	8 022 656
Accrued Interest - DBSA Loan	6 013 463	6 736 513	6 013 463	6 736 513
Unallocated Deposits	6 619 488	6 532 920	6 619 488	6 532 920
Retentions	10 899 027	20 708 864	10 899 027	20 708 864
VAT Output Accrual	106 575 268	78 751 252	106 575 268	78 751 252
	248 385 493	226 027 883	247 526 249	225 592 887

13. Consumer deposits

Water	7 802 342	7 533 347	7 802 342	7 533 347

14. Other financial liabilities

At amortised cost

DBSA Loan	134 381 044	149 541 874	134 381 044	149 541 874
The loan from the Development Bank of Southern Africa is a total of R 230 000 000 borrowed over a 15 year term subject to a fixed 15 year swap rate plus 230 basis points (Average 10%) over the loan period.				

Non-current liabilities

At amortised cost	117 439 732	134 381 043	117 439 732	134 381 043

Current liabilities

At amortised cost	16 941 312	15 160 831	16 941 312	15 160 831

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

15. Provisions

Reconciliation of provisions - Economic entity - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	224 822	-	-	(224 822)	-
Post-employment Benefits - Short term	1 615 000	330 286	-	-	1 945 286
Long Service Awards - Short term	2 882 000	786 437	-	-	3 668 437
Post-employment Benefits - Long term	43 269 000	6 270 907	-	-	49 539 907
Long Service Awards - Long term	17 378 000	-	(296 567)	-	17 081 433
	65 368 822	7 387 630	(296 567)	(224 822)	72 235 063

Reconciliation of provisions - Economic entity - 2024

	Opening Balance	Additions	Utilised during the year	Paid during the year	Transfer to current portion	Total
Legal proceedings	4 446 241	224 822	-	(4 446 241)	-	224 822
Post-employment Benefits - Short term	1 133 000	1 615 000	(1 133 000)	-	-	1 615 000
Long Service Awards - Short term	2 453 000	2 882 000	(2 453 000)	-	-	2 882 000
Post-employment benefits - Long term	37 389 000	7 495 000	-	-	(1 615 000)	43 269 000
Long Service Awards - Long term	16 645 000	3 487 000	-	-	(2 754 000)	17 378 000
	62 066 241	15 703 822	(3 586 000)	(4 446 241)	(4 369 000)	65 368 822

Reconciliation of provisions - Economic entity - 2025

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings	224 822	-	(224 822)	-
Post-employment Benefits - Short term	1 615 000	330 286	-	1 945 286
Long Service Awards - Short term	2 882 000	786 437	-	3 668 437
Post-employment Benefits - Long term	43 269 000	6 270 907	-	49 539 907
Long Service Awards - Long term	17 378 000	-	(296 567)	17 081 433
	65 368 822	7 387 630	(521 389)	72 235 063

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	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

15. Provisions (continued)

Reconciliation of provisions - Controlling entity - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Transfer to current portion	Total
Legal proceedings	4 446 241	224 822	-	(4 446 241)	-	224 822
Post-employment Benefits - Short term	1 133 000	1 615 000	(1 133 000)	-	-	1 615 000
Long Service Awards - Short term	2 453 000	2 882 000	(2 453 000)	-	-	2 882 000
Post employee benefits - Long term	37 389 000	7 495 000	-	-	(1 615 000)	43 269 000
Long Service Awards - long term	16 645 000	3 615 000	-	-	(2 882 000)	17 378 000
	62 066 241	15 831 822	(3 586 000)	(4 446 241)	(4 497 000)	65 368 822
Non-current liabilities			66 621 340	60 647 000	66 621 340	60 647 000
Current liabilities			5 613 723	4 721 822	5 613 723	4 721 822
			72 235 063	65 368 822	72 235 063	65 368 822

These provisions relate to the post-employment benefits which the municipality is obliged to honor in terms of the prevailing conditions of employment for all the staff members.

16. Employee benefit obligations

Defined benefit plan

The actuarial valuation determined that the retirement plan was in a sound financial position.

Post retirement medical aid plan

The municipality operates on five accredited medical aid schemes, namely, Bonitas, KeyHealth, LA Health, SAMWUMed and HosMed.

Pension benefits

Pensioners have the option to continue on the option they belonged to on the day of their retirement. The independent valuers, Masure Risk Solutions, have carried out the annual statutory valuation and provided the information required to be disclosed in terms of GRAP 25.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	65 144 000	57 620 000	65 144 000	57 620 000
Benefits paid	(1 841 633)	(3 586 000)	(1 841 633)	(3 586 000)
Net expense recognised in the statement of financial performance	8 442 826	11 110 000	8 442 826	11 110 000
	71 745 193	65 144 000	71 745 193	65 144 000

Net expense recognised in the statement of financial performance

Current service cost	1 239 387	3 173 000	1 239 387	3 173 000
Interest cost	5 795 846	6 774 000	5 795 846	6 774 000
Actuarial (gains) losses	1 407 593	1 163 000	1 407 593	1 163 000
	8 442 826	11 110 000	8 442 826	11 110 000

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	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

16. Employee benefit obligations (continued)

Calculation of actuarial gains and losses

Actuarial (gains) losses – Long service award	(696 210)	-	(696 210)	-
Actuarial (gains) losses – Medical aid	1 407 593	1 163 000	1 407 593	1 163 000
	711 383	1 163 000	711 383	1 163 000

Changes in the fair value of plan obligations are as follows:

Opening balance	44 884 000	38 522 000	44 884 000	38 522 000
Actuarial gains (losses)	1 407 593	1 035 000	1 407 593	1 035 000
Interest cost	5 795 846	4 769 000	5 795 846	4 769 000
Current service cost	1 239 387	1 691 000	1 239 387	1 691 000
Benefits paid	(1 841 633)	(1 133 000)	(1 841 633)	(1 133 000)
	51 485 193	44 884 000	51 485 193	44 884 000

Key assumptions used

Assumptions used at the reporting date:

Health care cost inflation	10,57 %	7,79 %	10,57 %	7,79 %
Discount Rate	14,97 %	12,32 %	14,97 %	12,32 %
Real discount rate	3,98 %	4,20 %	3,98 %	4,20 %
Spouse age difference	5 years	5 years	5 years	5 years
Medical cost trend rates	12,32 %	12,32 %	12,32 %	12,32 %
Expected increase in salaries	7,79 %	7,79 %	7,79 %	7,79 %
Expected pension increases	4,20 %	4,20 %	4,20 %	4,20 %
Proportion of employees opting for early retirement	5,47 %	5,47 %	5,47 %	5,47 %
Expected increase in healthcare costs	6,50 %	6,50 %	6,50 %	6,50 %

Defined contribution plan

It is the policy of the economic entity to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The economic entity is under no obligation to cover any unfunded benefits.

17. Revaluation reserve

Opening balance	50 512 172	51 703 936	50 512 172	51 703 936
Change during the year	16 752 826	(1 191 764)	16 752 826	(1 191 764)
	67 264 998	50 512 172	67 264 998	50 512 172

18. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2025

	Housing development fund	Total
Opening balance	8 127	8 127

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	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

18. Accumulated surplus (continued)

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2024

	Housing development fund	Total
Opening balance	8 127	8 127

Ring-fenced internal funds and reserves within accumulated surplus - Economic entity - 2025

	Housing development fund	Total
Opening balance	8 127	8 127

Ring-fenced internal funds and reserves within accumulated surplus - Controlling entity - 2024

	Housing development fund	Total
Opening balance	8 127	8 127

19. Service charges

Other service charges	536 105	346 926	536 105	346 926
Sale of water	468 946 036	430 622 293	468 946 036	430 622 293
Sewerage and sanitation charges	54 776 850	52 951 909	54 776 850	52 951 909
	524 258 991	483 921 128	524 258 991	483 921 128

20. Other income from exchange transactions

Tender Documents	14 739	1 391	14 739	1 391
Income from Entity	56 535	16 500	-	-
Interest received	203 288	-	203 288	-
Licences and Permits	157 095	332 227	157 095	332 227
Insurance Refunds	-	134 686	-	134 686
Staff Recoveries	86 572	-	86 572	-
	518 229	484 804	461 694	468 304

21. Investment revenue

Interest revenue

Investments and Bank Accounts	31 658 567	35 417 211	30 508 914	34 566 256

22. Interest from outstanding debtors

Interest from outstanding debtors	106 203 210	83 822 289	106 203 210	83 822 289

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

23. Government grants and subsidies

Operating grants

Equitable share	389 256 000	364 715 000	389 256 000	364 715 000
RSC Levy	360 452 000	353 805 000	360 452 000	353 805 000
Howick Falls Grant	2 800 142	1 530 681	-	-
Raset Grant	179 946	-	-	-
Sector Education and Training Authorities Grant	839 099	608 357	839 099	608 357
Expanded Public Works Programme Grant	1 889 000	2 794 000	1 889 000	2 794 000
Local Government Financial Management Grant	1 199 886	1 200 000	1 199 886	1 200 000
South African National Biodiversity Institute Grant	145 136	2 918 022	145 136	2 918 022
Rural Roads Asset Management Grant	2 840 000	2 718 002	2 840 000	2 718 002
Municipal Infrastructure Grant	29 291 560	7 788 529	29 291 560	7 788 529
Water Services Infrastructure Grant	21 218 049	-	21 218 049	-
	810 110 818	738 077 591	807 130 730	736 546 910

Capital grants

Municipal Infrastructure Grant	96 726 427	106 245 471	96 726 427	106 245 471
Water Services Infrastructure Grant	78 781 952	90 650 000	78 781 952	90 650 000
	175 508 379	196 895 471	175 508 379	196 895 471
	985 619 197	934 973 062	982 639 109	933 442 381

Conditional and Unconditional

Included in above are the following grants and subsidies realised:

Conditional grants received	235 911 197	216 453 062	232 931 108	214 922 381
Unconditional grants received	749 708 000	718 520 000	749 708 000	718 520 000
	985 619 197	934 973 062	982 639 108	933 442 381

A total of R235 911 197(2024: R216 453 062) was transferred / paid to the municipality as conditional grants during the year under review.

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

The municipality provides fully subsidised water and sanitation at a maximum of 6kl per month, including the basic charges for such supply, to approved indigent registered households.

Rural Roads Asset Management Grant

Balance unspent at beginning of year	88	90	88	90
Current year receipts	2 840 000	2 718 090	2 840 000	2 718 090
Conditions met - transferred to revenue	(2 840 000)	(2 718 092)	(2 840 000)	(2 718 092)
	88	88	88	88

This grant was spent on the conditional assessment of roads and road structures in line with the conditions of the grant.

Geospatial Grant

Balance unspent at beginning of year	34	34	34	34

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	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

23. Government grants and subsidies (continued)

Water Services Infrastructure Grant

Balance unspent at beginning of year	208	208	208	208
Current-year receipts	100 000 000	90 650 000	100 000 000	90 650 000
Conditions met - transferred to revenue	(100 000 001)	(90 650 000)	(100 000 001)	(90 650 000)
	207	208	207	208

This grant was spent on the construction of water infrastructure in line with the conditions of the grant.

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

23. Government grants and subsidies (continued)

Camperdown WWTP Grant

Balance unspent at beginning of the year	4 000 095	4 000 095	4 000 095	4 000 095

Conditions still to be met - remain liabilities (see note 11).

Expanded Public Works Programme Grant

Current-year receipts	1 889 000	2 794 000	1 889 000	2 794 000
Conditions met - transferred to revenue	(1 889 000)	(2 794 000)	(1 889 000)	(2 794 000)
	-	-	-	-

This grant was spent on the upskill of the unemployed through various programmes in line with the conditions of the grant.

Municipal Infrastructure Grant - Capital

Current-year receipts	96 726 440	106 245 471	96 726 440	106 245 471
Conditions met - transferred to revenue	(96 726 440)	(106 245 471)	(96 726 440)	(106 245 471)
	-	-	-	-

This grant was spent on the construction of water infrastructure in line with the conditions of the grant.

ORIO Grant

Balance unspent at beginning of the year	11 550 860	11 550 860	11 550 860	11 550 860

Conditions still to be met - remain liabilities (see note 11).

Sector Education and Training Authority Grant

Current-year receipts	839 099	608 357	839 099	608 357
Conditions met - transferred to revenue	(839 099)	(608 357)	(839 099)	(608 357)
	-	-	-	-

RASET & DGDS Grant

Balance unspent at beginning of the year	179 946	179 946	126 989	126 989
Conditions met - transferred to revenue	(179 946)	-	-	-
	-	179 946	126 989	126 989

Conditions still to be met - remain liabilities (see note 11).

Local Government Finance Management Grant

Current-year receipts	1 200 000	1 200 000	1 200 000	1 200 000
Conditions met - transferred to revenue	(1 199 886)	(1 200 000)	(1 199 886)	(1 200 000)
	114	-	114	-

This grant was spent on activities and services to assist the municipality to achieve sound financial management in line with the conditions of the grant.

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	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

23. Government grants and subsidies (continued)

SANBI Grant

Balance unspent at beginning of year	150 000	-	150 000	-
Current-year receipts	-	150 000	-	150 000
Conditions met - transferred to revenue	(145 136)	-	(145 136)	-
Roll over repayment	(4 763)	-	(4 763)	-
	101	150 000	101	150 000

Municipal Infrastructure Grant - Operational

Balance unspent at beginning of year	4 999 999	-	4 999 999	-
Current-year receipts	24 291 560	12 788 528	24 291 560	12 788 528
Conditions met - transferred to revenue	(29 291 559)	(7 788 529)	(29 291 559)	(7 788 529)
	-	4 999 999	-	4 999 999

This grant was spent on the construction of VIP toilets in line with the conditions of the grant.

An advance of R5 million of the 2024/25 DoRA allocation was received in May 2024 to allow for the prioritisation of repairs and maintenance of infrastructure assets.

Public Transport Plan Grant

Balance unspent at beginning of the year	308 817	308 817	308 817	308 817

Conditions still to be met - remain liabilities (see note 11).

Spatial Planning Grant

Balance unspent at beginning of the year	15 255	15 255	15 255	15 255

Conditions still to be met - remain liabilities (see note 11).

IDP Spatial Development Grant

Balance unspent at beginning of the year	335 275	335 275	335 275	335 275

Conditions still to be met - remain liabilities (see note 11).

Disaster Recovery Grant

Balance unspent at beginning of the year	179	179	179	179

Conditions still to be met - remain liabilities (see note 11).

Accelerated Water Intervention Grant - Operational

Balance unspent at beginning of the year	12 336	12 336	12 336	12 336

Conditions still to be met - remain liabilities (see note 11).

N3 Corridor Development

Balance unspent at beginning of year	1 750 000	1 750 000	-	-

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Figures in Rand	Economic entity		Controlling entity	
	2025	2024	2025	2024

23. Government grants and subsidies (continued)

Howick Falls Grant

Balance unspent at beginning of year	8 290 369	4 821 050	-	-
Current-year receipts	-	5 000 000	-	-
Conditions met - transferred to revenue	(2 800 142)	(1 530 681)	-	-
	5 490 227	8 290 369	-	-

Mpophomeni Revitalisation

Current-year receipts	1 000 000	-	-	-

24. Public contributions and donations

Vu tact- Plant and Equipment Donation	40 000	-	-	-
Santam	-	545 511	-	545 511
Development Bank of South Africa	-	2 793 220	-	2 793 220
	40 000	3 338 731	-	3 338 731

25. Employee - related costs

Basic	208 982 637	184 713 165	202 546 787	178 465 371
Bonus	16 913 545	14 028 446	16 340 351	13 763 616
Medical aid - company contributions	17 159 590	15 171 956	17 066 613	15 139 253
UIF	1 352 676	1 141 805	1 352 676	1 205 866
WCA	2 384 271	2 010 161	2 384 271	2 010 161
SDL	2 884 116	2 441 556	2 812 411	2 391 344
Other - Bargaining Council	97 392	91 667	97 392	91 667
Leave pay provision charge	3 237 989	4 477 302	3 073 093	4 282 121
Cell phone Allowances	580 946	367 151	435 100	228 052
Group Life Contributions	4 933 970	4 693 303	4 933 970	4 693 303
Standby Allowances	13 366 157	9 253 625	13 366 157	9 253 625
Other - Tool Allowances	1 370 839	1 277 309	1 370 839	1 277 309
Defined contribution plans	39 439 532	37 148 509	39 056 908	36 804 933
Travel, motor car, accommodation, subsistence and other allowances	17 168 670	13 860 717	17 168 670	13 860 717
Overtime payments	11 842 043	8 267 450	11 842 043	8 267 450
Long-service awards	6 206 686	3 916 472	6 206 686	3 916 472
Acting allowances	4 438 825	1 938 843	4 358 124	1 935 214
Car allowance	-	59 400	-	-
Housing benefits and allowances	1 267 664	1 258 842	1 267 664	1 258 842
Uniforms & Clothing Allowances	5 470	23 703	5 470	23 703
Shift Allowance	14 429 278	12 909 124	14 429 278	12 909 124
Backpay	47 115	22 146	-	-
Termination benefits - Curtailment and Settlements	5 193 640	5 340 091	5 193 640	5 340 091
	373 303 051	324 412 743	365 308 143	317 118 234

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Figures in Rand	2025	2024	2025	2024

25. Employee - related costs (continued)

Remuneration of Municipal Manager - DR EX Muthwa

Annual Remuneration	1 375 781	-	1 375 781	-
Car Allowance	-	19 746	-	19 746
Other	15 495	375	15 495	375
	1 391 276	20 121	1 391 276	20 121

The Municipal Manager was appointed 01 October 2024.

The remuneration of the Municipal Manager is included in the employee related costs of the municipality.

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25. Employee - related costs (continued)

Remuneration of Chief Financial Officer - OV Kunene

Annual Remuneration	1 114 748	699 909	1 114 748	699 909
Travel Allowance	284 622	213 644	284 622	213 644
Leave Pay	71 706	-	71 706	-
Tools of Trade	21 600	16 200	21 600	16 200
Statutory Contributions	17 298	10 744	17 298	10 744
Other	49 410	-	49 410	-
	1 559 384	940 497	1 559 384	940 497

Remuneration of Senior Executive Manager: Corporate Services - Ms TS Hadebe

Annual Remuneration	1 226 119	-	1 226 119	-
Travel Allowance	187 000	-	187 000	-
Tools of Trade	19 800	-	19 800	-
Statutory Contributions	16 035	-	16 035	-
	1 448 954	-	1 448 954	-

Remuneration of Senior Executive Manager: Corporate Services-Mrs N Mkhize

Annual Remuneration	-	693 355	-	693 355
Acting Allowance	-	2 042	-	2 042
Bonus	-	80 639	-	80 639
Travel Allowance	-	132 295	-	132 295
Leave payout	-	212 633	-	212 633
Tools of Trade	-	14 400	-	14 400
Statutory Contributions	-	12 453	-	12 453
	-	1 147 817	-	1 147 817

Senior executive manager: Corporate services Ms TS Hadebe was appointed on 01 August 2024.

The remuneration of the Senior Executive Manager: Corporate Services is included in the employee related costs of the municipality.

Remuneration of Senior Executive Manager: Community Services - EX Muthwa

Annual Remuneration	327 840	1 085 241	327 840	1 085 241
Acting Allowance	42 903	134 714	42 903	134 714
Bonus	-	56 566	-	56 566
Tools of Trade	5 400	21 600	5 400	21 600
Non-pensionable Cash Gratuity	-	15 027	-	15 027
Other	88 938	-	88 938	-
Statutory Contributions	6 827	-	6 827	-
Leave Pay	148 586	-	148 586	-
	620 494	1 313 148	620 494	1 313 148

Council appointed EX Muthwa as Senior Executive Manager: Community Services as from 01 April 2023.

Dr E.X. Muthwa acted in the capacity of Municipal Manager for the year under review.

The remuneration of the Senior Executive Manager: Community Services is included in the employee related costs of the municipality.

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25. Employee - related costs (continued)

Remuneration of Senior Executive Manager: Economic Development and Planning - M Sithole

Annual Remuneration	1 191 387	983 142	1 191 387	983 142
Acting Allowance	-	12 072	-	12 072
Bonus	-	44 356	-	44 356
Travel Allowance	222 686	207 236	222 686	207 236
Tools of Trade	21 600	21 600	21 600	21 600
Statutory Contributions	16 893	13 872	16 893	13 872
Non-pensionable gratuity	-	-	-	-
Other	100 796	-	100 796	-
	1 553 362	1 282 278	1 553 362	1 282 278

The remuneration of the Senior Executive Manager: Economic Development and Planning is included in the employee related costs of the municipality.

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25. Employee - related costs (continued)

Remuneration of Senior Executive Manager: Technical Services - RJ Dlamini

Annual Remuneration	1 108 755	189 846	1 108 755	189 846
Travel Allowance	195 663	42 800	195 663	42 800
Statutory Contributions	15 425	-	15 425	-
Tools of Trade	19 800	3 600	19 800	3 600
Non-pensionable gratuity	-	2 530	-	2 530
Other	49 410	-	49 410	-
	1 389 053	238 776	1 389 053	238 776

Remuneration of CEO - M Newton

Annual Remuneration	1 326 065	1 272 005	-	-
Performance Bonuses	101 760	15 085	-	-
Contributions to UIF, Medical and Pension Funds	2 125	2 125	-	-
Backpay	9 540	-	-	-
Skills Levy	14 650	9 898	-	-
Cellphone Allowance	27 600	27 600	-	-
	1 481 740	1 326 713	-	-

Remuneration of GM Trade and Investments - S Gabela

Annual Remuneration	933 976	895 900	-	-
Performance Bonuses	71 672	10 625	-	-
Contributions to UIF, Medical and Pension Funds	2 125	2 125	-	-
Cellphone Allowance	22 800	22 800	-	-
Backpay	6 719	-	-	-
Skills Levy	10 352	6 996	-	-
	1 047 644	938 446	-	-

Remuneration of GM Projects - J Martin

Annual Remuneration	933 976	895 900	-	-
Performance Bonuses	71 672	13 904	-	-
Contributions to UIF, Medical and Pension Funds	2 125	2 125	-	-
Cellphone Allowance	22 800	22 800	-	-
Skills Levy	10 352	7 029	-	-
Backpay	6 719	-	-	-
	1 047 644	941 758	-	-

Remuneration of CFO - M Hadebe

Annual Remuneration	933 976	763 810	-	-
Performance Bonuses	61 104	2 526	-	-
Contributions to UIF, Medical and Pension Fund	2 125	1 771	-	-
Backpay	6 719	-	-	-
Cellphone Allowance	22 800	19 398	-	-
Skills Levy	10 245	6 915	-	-
	1 036 969	794 420	-	-

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26. Remuneration of councillors

Mayor	1 375 330	1 404 224	1 375 330	1 404 224
Deputy Mayor	995 364	981 416	995 364	981 416
Executive Committee Members	5 610 150	5 898 535	5 610 150	5 898 535
Speaker	996 554	983 635	996 554	983 635
Councillors	6 445 053	6 007 513	6 445 053	6 007 513
Chief Whip	936 915	1 102 130	936 915	1 102 130
Skills Development Levy	141 800	140 397	141 800	140 397
Board Members	255 483	102 342	-	-
	16 756 649	16 620 192	16 501 166	16 517 850

In-kind benefits

The Mayor, Deputy Mayor and Speaker were full-time from the date of assumption of office. Each was provided with an office and secretarial support at the cost of the Council.

The Chief Whip and Executive Committee Members of the current Council who assumed office were authorised by the Department of Cooperative Governance and Traditional Affairs to assume full-time status. Each was provided with an office and secretarial support at the cost of the Council.

The Deputy Mayor and Speaker have the use of separate Council leased vehicles for official duties.

The Mayor, Deputy Mayor and Speaker each have two full-time bodyguards.

27. Depreciation and amortisation

Property, plant and equipment	66 841 851	55 855 381	66 627 773	55 637 891
Intangible assets	78 953	635	78 953	635
	66 920 804	55 856 016	66 706 726	55 638 526

28. Finance costs

Trade and other payables	6 400	23 057	6 400	23 057
Non-current borrowings	15 197 810	16 836 267	15 197 810	16 836 267
	15 204 210	16 859 324	15 204 210	16 859 324

29. Lease rentals on operating lease

Premises				
Contractual amounts	2 232 720	1 275 023	1 991 220	1 102 323
Motor vehicles				
Contractual amounts	14 794 877	12 523 021	14 794 877	12 523 021
Equipment				
Contractual amounts	8 225 008	7 332 857	8 218 753	7 320 796
	25 252 605	21 130 901	25 004 850	20 946 140

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30. Impairment of Non-current Assets

Impairments

Property, plant and equipment - 35 423 368 - 35 423 368

The planning and design work was done for projects, however, due to limitations on funding implementation has delayed. The municipality recognised an impairment loss of R 35 423 368 relating to the work in progress for the Impendle Bulk Water Project at R 13 949 423. The Mpofana Waste Treatment Works Project at R 8 549 988, the Mpophomeni Sanitation Plant Project at R 8 172 038 and the Richmond Waste Water Treatment Works Project at R 4 751 919 due to the projects being handed over to Umgeni- Uthukela Water for review and implementation.

Current year impairment

Property Plant & Equipment :Water Supply 724 009 - 724 009 -

Infrastructure

Upon conducting the conditional assessment the municipality discovered that there were boreholes vandalised during the current financial year. The Municipality further went on to perform a conditional assessment on all the poor and very poor assets including the vandalised assets.

Total impairment losses (recognised) reversed	724 009	35 423 368	724 009	35 423 368

31. Debt impairment

Debt impairment	61 996 778	294 711 255	61 996 778	294 711 255

32. Bad debts written off

Write-off of irrecoverable debt	244 280 342	8 290 617	244 280 342	8 290 617

As provided for by the municipality's debt write off policy, the Chief Financial Officer and Accounting Officer have authorised write offs on various categories of debtors. The CFO and Accounting Officer have delegated authority to write off debt that has a balance of R100 000 and below. The policy provides that all debt write offs shall be reported to the Municipal Council. These debts written off as irrecoverable were at a total of R244 280 342.

33. Inventory Consumed

VIP Toilets	42 316 805	14 088 218	42 316 805	14 088 218
Water	194 610 643	178 015 862	194 610 643	178 015 862
Materials	3 796 842	3 927 655	3 796 842	3 927 655
Consumables	1 179 642	490 524	1 179 642	490 524
Community Programmes	5 246 784	7 213 627	5 246 784	7 213 627
	247 150 716	203 735 886	247 150 716	203 735 886

Community Programmes include items procured for Disaster Relief / Response and SMME support initiatives.

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Figures in Rand	2025	2024	2025	2024

33. Inventory Consumed (continued)

Reconciliation of Water for Distribution Till June 2025

Opening Balance	459 471	320 539	459 471	320 539
Water Purchased and Produced	362 139 274	278 441 964	362 139 274	278 441 964
Revenue Water: Authorised - Billed	(110 595 651)	(91 672 468)	(110 595 651)	(91 672 468)
Non-revenue Water: Authorised - Unbilled	(84 014 992)	(86 324 798)	(84 014 992)	(86 324 798)
Subtotal	167 988 102	100 765 237	167 988 102	100 765 237
Water Losses	(167 226 608)	(100 305 766)	(167 226 608)	(100 305 766)
Closing Balance	761 494	459 471	761 494	459 471

34. Contracted services

Outsourced Services

Administrative and Support Staff	532 112	599 028	532 112	599 028
Catering Services	2 429 084	1 956 960	2 429 084	1 956 960
Hygiene Services	64 560	40 000	64 560	40 000
Security Services	20 524 974	18 139 172	20 524 974	18 139 172
Sewerage Services	91 805 662	93 092 487	91 805 662	93 092 487
Water Takers	68 448 897	69 462 669	68 448 897	69 462 669

Consultants and Professional Services

Business and Advisory	34 462 889	24 552 828	34 462 889	24 552 828
Infrastructure and Planning	547 279	540 320	547 279	540 320
Laboratory Services	1 753 340	1 404 181	1 753 340	1 404 181
Legal Cost	6 534 953	10 374 455	6 534 953	10 374 455

Contractors

Employee Wellness	24 235	42 750	24 235	42 750
Event Promoters	5 403 281	6 695 197	5 403 281	6 695 197
Maintenance of Buildings and Facilities	1 080 390	1 363 061	1 080 390	1 363 061
Maintenance of Equipment	3 887 547	1 849 180	3 887 547	1 849 180
Maintenance of Unspecified Assets	33 237 551	21 238 161	33 237 551	21 238 161
Management of Informal Settlements	-	12 428	-	12 428
Medical Services	813 445	872 400	813 445	872 400
	271 550 199	252 235 277	271 550 199	252 235 277

35. Transfer and subsidies

Other subsidies

UMEDA Transfer	-	-	12 700 000	11 500 000
Arbitration Awards	-	303 403	-	303 403
Allocation-in-kind : equipment	-	233 642	-	233 642
	-	537 045	12 700 000	12 037 045

36. Inventories losses/adjustments

Inventory adjustment	(2 137 629)	(52 751 065)	(2 137 629)	(52 751 065)
Water Losses	167 226 608	100 305 766	167 226 608	100 305 766
	165 088 979	47 554 701	165 088 979	47 554 701

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36. Inventories losses/adjustments (continued)

The municipality notes that the water loss percentage has increased from 36% in the prior year to 46% for the year under review. This figure exceeds the MFMA Circular 71 norm of 15%–30%.

To address this challenge, the municipality continues to implement targeted interventions aimed at strengthening water accountability and reducing non-revenue water losses. These include:

The rollout of prepaid water meters, which is expected to enhance consumption control, billing accuracy, and customer responsiveness.

Installation of check meters to quantify usage from standpipes.

37. General expenses

Achievements and awards	300	-	300	-
Advertising	511 010	413 849	456 024	346 130
Assets expensed	324 425	297 554	324 425	297 554
Auditors remuneration	4 649 312	4 421 701	4 139 779	4 028 553
Bank charges	1 703 598	1 496 598	1 651 829	1 484 761
Bursaries	356 138	138 229	356 138	138 229
Cleaning	143 796	110 639	-	108 889
Communication	539 465	1 352 816	360 890	1 171 158
Conference and Training	1 992 768	1 159 604	1 910 265	1 103 745
Consulting and professional fees	2 697 951	1 861 139	-	-
Consumables	123 601	68 676	-	-
Electricity	14 631 267	9 888 923	14 590 198	9 851 594
Entertainment	22 963	23 080	22 963	23 080
Fleet	1 004	19 840	-	-
Fuel and oil	7 714 444	8 386 578	7 675 170	8 354 362
Gifts and promotional items	1 790 421	1 529 862	1 790 421	1 529 862
Guarantees and warranties	214 264	-	214 264	-
Hire	1 259 464	4 823 118	1 259 464	4 823 118
IT expenses	798 793	754 843	-	-
Insurance	1 834 711	1 650 509	1 751 220	1 599 517
Marketing	96 674	6 975	-	-
Medical expenses	11 711	1 600	-	-
Motor vehicle expenses	321 935	319 607	321 935	319 607
Permits	73 396	-	73 396	-
Entrance fees	21 297	2 224	-	-
Placement fees	152 196	141 800	152 196	141 800
Postage and courier	1 539	583	1 539	583
Printing and stationery	73 646	173 851	-	136 163
Repairs and maintenance	252 413	27 295	-	-
Security	-	1 313	-	-
Signage	90 860	191 095	90 860	191 095
Software expenses	8 081 068	8 313 540	8 081 068	8 313 540
Subscriptions and membership fees	3 850 902	3 479 893	3 828 727	3 477 488
Telephone and fax	2 927 608	1 654 031	2 722 522	1 489 261
Tourism development	428 571	-	-	-
Travel - local	3 042 486	3 783 348	3 008 422	3 772 501
Uniforms	2 324 143	3 295 340	2 324 143	3 295 340
Utilities -municipal services	2 853 714	2 574 909	2 853 714	2 574 909
	65 913 854	62 364 962	59 961 872	58 572 839

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	2025	2024	2025	2024
38. Gain/ (Loss)on Disposal of Assets				
Gain / (Loss) on disposal of assets	1 020 732	(118 786)	1 260 944	(54 328)
The loss on disposal of assets relates to assets written off due to theft and/or major breakages in compliance with Chapter 3, Section 14 of the Municipal Finance Management Act and the Fixed Assets Policy of the municipality. Cases have been opened with the South African Police Services in instances of theft.				
39. Cash generated from operations				
Surplus	94 465 387	218 325 248	92 443 529	216 023 395
Adjustments for:				
Depreciation and amortisation	66 920 804	55 856 016	66 706 726	55 638 526
Depreciation capitalised to cost of inventory	(1 020 732)	118 786	(1 260 944)	54 328
Donations received	-	(3 338 731)	-	(3 338 731)
Actuarial gains and losses	711 343	1 163 000	711 343	1 163 000
Debt impairment	62 720 786	330 134 623	62 720 786	330 134 623
Bad debts written off	244 280 342	8 290 617	244 280 342	8 290 617
Debt waived	-	(17 382 096)	-	(17 382 096)
Changes in working capital:				
Inventories	134 672	(3 655 828)	134 672	(3 655 828)
Inventory adjustments and Water losses	165 088 979	47 554 701	165 088 979	47 554 701
Receivables from exchange transactions	(9 869 933)	(6 225 663)	(9 913 886)	(6 033 475)
Receivables from non-exchange transactions	(47 113 694)	16 594 291	(47 146 656)	16 177 772
Receivables from Non-exchange transactions - Gross	5 953 632	(15 842 772)	5 953 632	(15 842 772)
Payables from exchange transactions	22 139 122	(119 681 357)	21 933 358	(119 351 555)
Movement in Provision	7 132 283	3 582 945	6 866 241	3 302 581
Receivables (debt impairment and Gross movement)	(214 236 890)	(373 587 882)	(214 236 890)	(373 587 882)
Debt written off	(244 280 342)	(8 290 617)	(244 280 342)	(8 290 617)
Transfers and Subsidies Unspent & Grants	(7 154 711)	4 439 316	(5 149 773)	969 997
Consumer deposits	262 366	300 609	262 366	300 609
	146 133 414	138 355 206	145 113 483	132 127 193
40. Auditors' remuneration				
Fees	4 649 312	4 421 701	4 139 779	4 028 553
41. Operating surplus				
Operating surplus for the year is stated after accounting for the following:				
Income from controlled entities				
Interest from outstanding debtors	106 203 210	83 822 289	106 203 210	83 822 289
Operating lease charges				
Premises				
• Contractual amounts	(2 232 720)	(1 275 023)	(1 991 220)	(1 102 323)
Motor vehicles				
• Contractual amounts	(14 794 877)	(12 523 021)	(14 794 877)	(12 523 021)
Equipment				
• Contractual amounts	(8 225 008)	(7 332 857)	(8 218 753)	(7 320 796)
	(25 252 605)	(21 130 901)	(25 004 850)	(20 946 140)

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41. Operating surplus (continued)

Impairment on property, plant and equipment	-	(35 423 368)	-	(35 423 368)
Impairment of non-current assets	(724 009)	-	(724 009)	-
Impairment of assets	(1 020 732)	118 786	(1 260 944)	54 328
Amortisation on intangible assets	(78 953)	(635)	(78 953)	(635)
Depreciation on property, plant and equipment	(66 841 851)	(55 855 381)	(66 627 773)	(55 637 891)
Employee costs and Councillors' remuneration	(390 059 700)	(341 032 935)	(381 809 309)	(333 636 084)

42. Financial instruments disclosure

Categories of financial instruments

Economic entity - 2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	126 100 075	126 100 075
Cash and cash equivalents	223 631 350	223 631 350
	349 731 425	349 731 425

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	248 385 493	248 385 493

Economic entity - 2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	69 157 005	69 157 005
Cash and cash equivalents	238 972 631	238 972 631
	308 129 636	308 129 636

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	226 027 883	226 027 883

Economic entity - 2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	124 391 626	124 391 626
Cash and cash equivalents	213 192 676	213 192 676
	337 584 302	337 584 302

Financial liabilities

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42. Financial instruments disclosure (continued)

	At amortised cost	Total
Trade and other payables from exchange transactions	247 526 249	247 526 249

Controlling entity - 2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	67 341 084	67 341 084
Cash and cash equivalents	228 462 986	228 462 986
	295 804 070	295 804 070

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	225 592 887	225 592 887

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43. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	80 882 742	30 891 039	80 882 742	30 891 039

Total capital commitments

Already contracted for but not provided for	80 882 742	30 891 039	80 882 742	30 891 039

Authorised operational expenditure

Already contracted for but not provided for

• Office rentals	2 359 001	625 340	2 359 001	625 340
• Accounting and Business Support	2 145 045	662 080	-	-
• Operating Lease entity	210 930	159 416	-	-
• Contracted services	547 214	3 042 443	-	-
• Broadband Provision	7 548	23 680	-	-
• Other general commitments	79 365 846	27 513 015	79 365 846	27 513 015
	84 635 584	32 025 974	81 724 847	28 138 355

Total commitments

Total commitments

Authorised capital expenditure	80 882 742	30 891 039	80 882 742	30 891 039
Authorised operational expenditure	84 635 584	32 025 974	81 724 847	28 138 355
	165 518 326	62 917 013	162 607 589	59 029 394

The committed capital expenditure relates to Property plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, government grants, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	32 891 396	19 297 793	32 680 466	19 138 377
- in second to fifth year inclusive	49 129 685	9 718 792	49 129 685	8 999 977
	82 021 081	29 016 585	81 810 151	28 138 354

Operating lease payments represent rentals payable by the economic entity for certain of its office properties and vehicles. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

44. Contingencies

45.1 Contingent Liabilities

A matter between the municipality and ORIO Funding. The matter is in relation to work done and damages relating to ORIO Funded Projects to the value of R91 769 621.

A motor vehicle claim against the municipality by T Sheshoka for R346 640.

A civil claim of R546 062 by G Shabalala against the municipality for damage to property caused by storm water drainage.

A matter between the municipality and JJ Construction to the value of R7 490 512.

A matter between the municipality and Ms N Moodley where she is seeking reinstatement to her previous role as well as back pay to the value of R500 000.

A matter between the municipality and M Bhengu & 23 Others for Travel Allowance to the value of R5 000 000.

A claim by M Bhengu for unfair dismissal to the value of R700 000.

A claim by M Bhengu for pension funds to the value of R450 000.

A claim by M Khumalo for unfair dismissal to the value of R1 500 000.

A matter between UMDM and Magma Risk Solutions for non-payment of invoices to the value of R2 044 056.

A motor vehicle claim against the municipality by DM Garlicke to the value of R1 500 000.

A claim by JG Hauliers Pty Ltd against UMDM -restoration of water supply - R18150

A claim by GS Madlala Attorneys (on behalf of Themba Ndulini) against UMDM - for burst fire hydrant - R100 000

A claim by COGTA against UMDM for breach of agreement R300 000.

A claim by Estate Late Alisha Salome Govender against UMDM - loss of life R 14 700 000

A claim for by Stegen Property Trust against UMDM for collision of vehicle - R 1 308 542.

No provision has been made in the financial statements for all of the above liabilities.

45.2 Contingent Assets

A matter between the municipality and ORIO Funding. The matter is in relation to amounts owing to the municipality to the value of R8 000 000.

A matter between the municipality and M Bhengu to the value of R988 966 where the municipality is instituting civil recovery for overpayment on travel allowances.

A matter between UMDM and Magma Risk Solutions for damages to the value of R900 000.

No provision has been made in the financial statements for all of the above assets.

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Consolidated Annual Financial Statements for the year ended 30 June 2025

Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

45. Related parties

Relationships	
Accounting Officer	Refer to note 26
Councillors	Refer to note 27
Senior Executive Management	Refer to note 26
Controlling entity	uMgungundlovu District Municipality (Not Consolidated)
Controlled entities	uMgungundlovu Development Agency
Board Member (Chairperson)	Dr Sihle Ndlovu
Board Member (Deputy Chairperson)	Mrs Zinhle Sokhela
Board Member	Prof Albert Modi
Board Member	Mr Mpumelelo Zikalala
Board Member	Ms Phumelele Nzimakwe
Board Member	Ms Mbali Myeni
Board Member	Mr Bongani Hlomuka

Related party balances

Board Fees

Dr. Sihle Ndlovu	61 222	60 438
Mrs. Zinhle Sokhela	28 809	13 095
Prof. Albert Modi	28 809	18 333
Mr. Mpumelelo Zikalala	18 333	10 476
Ms. Mbali Myeni	43 168	-
Ms. Phumelele Nzimakwe	60 436	-
Mr. Bongani Hlomuka	16 267	-
	<u>259 663</u>	<u>102 342</u>

Amounts included in Trade receivable (Trade Payable) regarding related parties

uMgungundlovu District Municipality	-	32 962

The above related party balance relates to allocations owing to the agency that were not paid at year end but were due and payable to UMEDA. In the current year there was no outstanding amount due to UMEDA.

Related party transactions

Allocated to the Entity

uMgungundlovu Development Agency - operational cost allocation	12 700 000	11 500 000

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024
46. Fruitless and wasteful expenditure				
Opening balance as previously reported	334 499	20 122 202	293 358	20 081 061
Opening balance as restated	334 499	20 122 202	293 358	20 081 061
Add: Fruitless and Wasteful Expenditure	6 400	13 945	6 400	13 945
Less: Amounts recoverable - current	-	(3 460)	-	(3 460)
Less: Amount written off by Council	(299 758)	(19 798 188)	(299 758)	(19 798 188)
Closing balance	41 141	334 499	-	293 358

Interest Expense charges amounting to R6,400 were incurred due to late payment of invoices.

Amounts written-off

Fruitless and Wasteful Expenditure Incurred During the Year

Interest Expense	6 694	13 946	6 694	13 946
Fruitless and Wasteful Expenditure				
Cost incurred on infrastructure projects	293 358	19 776 517	293 358	19 776 517
Interest Expense	6 400	21 671	6 400	21 671
	299 758		299 758	19 798 188

47. Correction of errors

Presented below are those items contained in the statement of financial position, have been affected by correction of errors.

Statement of financial position

Controlling entity - 2024

	Note	As previously reported	Correction of error	Restated
Cash and cash equivalents		238 734 485	238 146	238 972 631
Consumer debtors from exchange transactions		44 668 431	12 747 886	57 416 317
Receivables from exchange transactions		4 025 064	7 715 604	11 740 668
Receivables from non- exchange transactions		-	15 842 772	15 842 772
Property Plant and Equipment		2 666 470 866	281 966	2 666 752 832
Payables from exchange transactions		130 713 030	95 314 853	226 027 883
Vat Payable		54 643 788	(54 643 788)	-
Accumulated surplus		2 472 221 372	(3 844 711)	2 468 376 661
		5 611 477 036	73 652 728	5 685 129 764

Economic entity 2024

	Note	As previously reported	Correction of error	Restated
Property Plant and Equipment	8	2 664 332 205	281 966	2 664 614 171
Trade and other payables from exchange transactions	12	(130 278 035)	(95 314 852)	(225 592 887)
VAT Payable		(55 992 795)	55 992 795	-
Consumer Debtors		44 668 431	12 747 886	57 416 317
Accumulated Surplus		(2 468 402 455)	3 844 670	(2 464 557 785)
Cash and cash Equivalents		228 224 840	238 146	228 462 986
Receivables from exchange transactions		3 548 150	6 366 617	9 914 767
Receivables from non exchange		-	15 842 772	15 842 772
		-	-	-

Notes to the Consolidated Annual Financial Statements

Figures in Rand

47. Correction of errors (continued)

Statement of financial performance

Controlling entity - 2024

	Note	As previously reported	Correction of error	Restated
Service Charges		487 382 051	(3 460 923)	483 921 128
Interest on outstanding debtors		89 199 707	(5 377 418)	83 822 289
Depreciation		(55 276 533)	(579 483)	(55 856 016)
Debt waived - exchange		17 382 096	(17 382 096)	-
Debt Impairment		(363 797 166)	69 085 941	(294 711 255)
Debt waived - non exchange		-	17 382 096	17 382 096
Inventories losses/adjustments		(47 884 723)	330 022	(47 554 701)
Surplus for the year		-	-	-

Economic entity - 2025

	Note	As previously reported	Correction of error	Restated
Service charges		487 382 051	(3 460 923)	483 921 128
Interest from outstanding debtors		89 199 707	(5 377 418)	83 822 289
Depreciation and amortisation		(55 276 533)	361 993	(55 638 526)
Debt Impairment		(363 797 166)	69 085 911	(294 711 255)
Debt waived - exchange		17 382 096	(17 382 096)	-
Debt waived - non exchange		-	17 382 096	17 382 096
Inventory losses / adjustments		(47 884 723)	330 022	(47 554 701)
Surplus for the year		127 005 432	60 939 585	187 221 031

Notes to the Consolidated Annual Financial Statements

Figures in Rand

47. Correction of errors (continued)

Errors

The following prior period errors adjustments occurred:

Property Plant And Equipment

a) A prior period error has been presented relating to Work-in-Progress amounting to R 313 937 which was as result of retention being being previously omitted

Infrastructure assets-Increase in carrying value due to capitalisation of boreholes that were omitted in FY24 amounting to R 61 281

Computer Equipment-increase in the assets carrying value due prior year review of useful life| R25 240

Transport assets-increase in the assets carrying value due prior year review of useful life R 3610

Furniture and fittings-increase in the assets carrying value due prior year review of useful life R 475.

Being the transfer of the completed Boreholes that was omitted from capitalisation in the previous year R 6 737 146.

Being the transfer of the completed Boreholes that was omitted from capitalisation in the previous year (R 6 737 146).

Infrastructure assets-Increase in carrying value due to capitalisation of boreholes that were omitted in the prior year amounting to R 61 281

Trade and other payables from exchange transactions

a) The prior period correction relates to adjustments made to retention amounting to R 361 028. This amount was erroneously omitted on the retentions register.

Furthermore, debit notes were erroneously not raised relating to the Umngeni Water account where adjustments have been made against the Advance Pyments - Trade Payables.

Reversal of prior year accrued interest amounting to R 1 151 836.

The decrease in cash and cash and cash equivalents was due to unauthorized debit orders amounting to R 913 690 that went to the FNB main bank account.

The VAT was restated to trade and other payables as per the new disclosure issue by the GRAP standards (GRAP 104,GRAP 19 & GRAP 1) amounting to R 78 751 252.

VAT

a) The prior period correction relating to VAT amounting to R 47 091. This is relating to the VAT portion from the raised retention.

b) The VAT amount to R 3 485 865 relates to VAT portion on accounts reversals/adjustments relating to prior years.

c) Vat amounting to R 926 277 was reversed due to debtors adjustments and reversals relating to prior years.

d) Vat amounting to R 5 008 301 was reversed due to debtors adjustments and reversals relating to prior year.

The VAT was restated to trade and other payables as per the new disclosure issue by the GRAP standards (GRAP 104,GRAP 19 & GRAP 1) R 55 992 795.

Notes to the Consolidated Annual Financial Statements

Figures in Rand

47. Correction of errors (continued)

Consumer Debtors

- a) Consumer Debtors amounting to R 33 160 127 was reduced due to reversals of prior year billing of debtors accounts
- b) Consumer Debtors amounting to R 12 031 072 were reversed due to prior year billing on debtors accounts.
- c) Debt impairment amounting was recalculated and an amounting 134 790 316 was reversed as a result of debtors account adjustments/ reversals in the prior year
- d) Consumer Debtors amounting to R 30 277 793 was increased due to reversals of prior year billing of debtors accounts
- e) Reversal of debt impairment R 139 899.

Service Charges

- a) Service charges amounting to R6 175 183 was reversed due to debtors accounts reversals and adjustments. The reversal of sale of water amounted to R 6 175 183. and the reversal of sanitation charges amounted to R 570 744.

Service charges of R 2 714 260 was reversed due to debtors accounts reversals and adjustments.

Interest on outstanding debtors

- a) Interest on outstanding debtors amounting to R 4 929 612 was reversed due to interest charged on outstanding debtors in the prior year.
- b) Interest on outstanding debtors amounting to R 447 806 was reversed due to interest charged on outstanding debtors in prior year.

Debt Impairment

Debt impairment amounting was recalculated and an amounting 134 510 831 was reversed as a result of debtors account adjustments/ reversals in the prior year.

Accumulated surplus

- a) An amount of R 6 671 224 relates to the reversals to prior year accumulated surplus for debtors accounts that were billed in error and adjusted .
- b) Debt impairment amounting was recalculated and an amounting R134 510 831 was reversed as a result of debtors account adjustments/ reversals in the prior year. This then affected accumulated surplus.
- c) An amount of R 23 003 037 relates to the reversal of prior year accumulated surplus for debtor accounts that were billed in error and adjusted.
- d) Service charges amounting to R 3 460 923, and interest amounting to R 5 377 418 related to reversals for prior year .
- e) The depreciation amounting R31 955 was adjusted for in the prior year.
- f) Reversal of prior year accrued interest amounting to R 1 151 836

Depreciation

The depreciation amounting R31 955 was adjusted for in the prior year.

Infrastructure assets-Increase in depreciation amount due to assets that were not capitalised amounting R 61 284

Computer Equipment-decrease in depreciation amount due to prior year review of useful lives R25 240

Transport assets-decrease in depreciation amount due to prior year review of useful lives R 3610

Furniture and fittings-decrease in depreciation amount due to prior year review of useful lives R475.

Notes to the Consolidated Annual Financial Statements

Figures in Rand

47. Correction of errors (continued)

Cash and cash equivalents

Reversal of prior year accrued interest amounting to R 1 151 836.

The decrease in cash and cash and cash equivalents was due to unauthorized debit orders amounting to R 913 690 that went to the FNB main bank account.

Inventories losses/adjustments

The change of R 330 022 was a reclassification to the inventory adjustment and the depreciation .

Trade receivables from exchange transactions

The VAT was restated to trade and other payables as per the new disclosure issue by the GRAP standards (GRAP 104, GRAP 19 & GRAP 1) amounting to R 6 366 617

Receivables from non exchange transactions

The VAT was restated to trade and other payables as per the new disclosure issue by the GRAP standards (GRAP 104, GRAP 19 & GRAP 1) amounting to R 15 842 772.

48. Risk management

Financial risk management

The economic entity'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.

The economic entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the economic entity's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, economic entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The economic entity's risk to liquidity is a result of the funds available to cover future commitments. The economic entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Trade and other payables from Exchange transactions	248 385 493	226 027 883	247 526 249	225 592 887

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 counterparty.

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.

Financial instrument	Economic entity - 2025	Economic entity - 2024	Controlling entity - 2025	Controlling entity - 2024
Cash and cash equivalents	223 631 350	238 972 631	213 192 676	228 462 986
Trade receivables from exchange transactions	126 100 075	69 157 005	106 084 398	174 320 207
Trade receivables from non- exchange transactions	9 889 140	15 875 734	9 889 140	15 842 772

Market risk

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

48. Risk management (continued)

Interest rate risk

As the economic entity has no significant interest-bearing assets, the economic entity's income and operating cash flows are substantially independent of changes in market interest rates.

The economic entity's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the economic entity to cash flow interest rate risk. Borrowings issued at fixed rates expose the economic entity to fair value interest rate risk.

49. Going concern

The current ratio for the current financial year is 1.15:1; the collection rate is 59 % and the cash coverage ratio is 2.31:1. This indicates that the municipality has sufficient cash resources to meet its obligations. Furthermore, when considering the overall picture, the total assets exceed the total liabilities which indicates that the municipality is solvent. The municipality receives grants to fund operating activities as well as capital commitments.

We draw attention to the fact that at 30 June 2025, the municipality had an accumulated surplus of 2 557 001 294 and that the municipality's total assets exceed its liabilities by 2 624 266 292.

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

50. Events after the reporting date

No events after the reporting date were identified by management that would affect the operations of the municipality or the results of those operations significantly.

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024

51. Unauthorised expenditure

Opening balance as previously reported	186 537 712	270 839 407	186 537 712	270 839 407
Opening balance as restated	186 537 712	270 839 407	186 537 712	270 839 407
Add: Unauthorised Expenditure - current	84 513 389	186 531 936	84 513 389	186 531 936
Less: Amount written off - prior period	(186 531 936)	(270 833 631)	(186 531 936)	(270 833 631)
Closing balance	84 519 165	186 537 712	84 519 165	186 537 712

An amount of R 0 unauthorised expenditure was incurred in the current financial year (2024: R186 537 712). The unauthorised expenditure is computed at vote level and disclosed at category level for purposes of providing further detail on the constituents of the amount.

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	78 476 198	244 750 376	78 476 198	244 750 376
Cash	6 037 191	(58 218 440)	6 037 191	(58 218 440)
	84 513 389	186 531 936	84 513 389	186 531 936

Analysed as follows: non-cash

Depreciation and amortisation	5 763 726	(2 760 775)	(7 606 118)	(2 760 775)
Impairment of Non-Current Assets	724 009	-	-	-
Provision of impairment	(173 003 222)	239 220 534	162 091 641	239 220 534
Bad debts written off	244 280 342	8 290 617	244 280 342	8 290 617
Actuarial Gain	711 343	-	711 343	-
	78 476 198	244 750 376	399 477 208	244 750 376

Analysed as follows: cash

Inventory consumed	(18 383 284)	(19 654 688)	(18 383 284)	(19 654 688)
Inventory losses/adjustments	22 392 979	(28 534 315)	22 392 979	(28 534 315)
Contracted services	8 759 199	(10 003 586)	8 759 199	(10 003 586)
Loss on disposal of fixed asset	(1 380 944)	-	(1 380 944)	-
Employee related costs	9 046 309	3 679 551	9 046 309	3 679 551
Lease rentals on operating lease	-	(1 836 076)	-	(1 836 076)
Finance cost	(716 790)	-	(716 790)	-
Operational costs	(13 401 278)	(1 869 326)	(13 401 278)	(1 869 326)
Transfer and subsidies	(279 000)	-	(279 000)	-
	6 037 191	(58 218 440)	6 037 191	(58 218 440)

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Notes to the Consolidated Annual Financial Statements

	Economic entity		Controlling entity	
Figures in Rand	2025	2024	2025	2024
52. Irregular expenditure				
Opening balance as previously reported	19 848 264	8 036 165	12 401 867	589 768
Correction of prior period error	-	6 995 674	-	6 995 674
Opening balance as restated	19 848 264	15 031 839	12 401 867	7 585 442
Add: Amounts recoverable - current	156 924 810	169 457 409	156 924 810	169 427 440
Less: Amount written off by Council	(118 850 429)	(164 640 984)	(118 850 429)	(164 611 015)
Closing balance	57 922 645	19 848 264	50 476 248	12 401 867

Irregular Expenditure Written off by Council

Irregular expenditure amounting to R31 957 related to traveling costs wherein the department was unable to advertise for the requisite minimum number of days.

Amounts of R105 576 511 pertaining to the operation and maintenance of wastewater treatment plants were recognised as irregular expenditure. This contract was investigated by MPAC and expenditures were written off per council resolution on 29 May 2025. These amounts were written off in line with section 32(2)(b) of the MFMA which states that after investigation by a council committee.

Amounts of R 50 476 248 were incurred for failure to advertise long-term contracts for the minimum of 30 days.

Rental costs of R840,093 expenditure relates to payments without a lease agreement.

Irregular Expenditure Written off by Council	-	-	-	-
Failure to follow SCM Processes	506 203	70 794	506 203	40 824
Non-Compliance with SCM Regulation 17(C)	11 895 645	-	11 895 645	-
Non-compliance with Section 33(1) of MFMA	105 576 511	164 471 878	105 576 511	164 471 878
Non-Compliance with SCM Regulation 18(A) (7-Day Advert)	31 957	53 983	31 957	53 983
Non-compliance with Section 116(3) of MFMA	-	44 329	-	44 329
Payments made outside a Contract	840 094	-	840 094	-
	118 850 410	164 640 984	118 850 410	164 611 014

Irregular Expenditure Incurred During the Year

Non-compliance with Section 33(1) of MFMA	105 576 511	164 471 878	105 576 511	164 471 878
Non-Compliance with SCM Regulation 18(a)	31 957	-	31 957	-
Failure to follow SCM Processes	-	41 211	-	11 242
Failure to follow Section 116(3) of the MFMA	-	44 329	-	44 329
Non-compliance with SCM Regulation 17(c)	-	4 899 991	-	4 899 991
Non-Compliance with SCM Regulation 22(1)(B)	50 476 248	-	50 476 248	-
Payments made outside a Contract	840 094	-	840 094	-
	156 924 810	169 457 409	156 924 810	169 427 440

Irregular Expenditure Incurred During the Prior Year

Non-Compliance with SCM Regulation 17(C)	-	6 995 674	-	6 995 674

53. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	3 849 182	3 457 032	3 849 182	3 457 032
Amount paid - current year	(3 849 182)	(3 457 032)	(3 849 182)	(3 457 032)
	-	-	-	-

53. Additional disclosure in terms of Municipal Finance Management Act (continued)**Audit fees**

Opening balance	-	3 542	-	3 542
Current year subscription / fee	4 649 312	4 631 669	4 139 779	4 631 669
Amount paid - current year	(4 649 312)	(4 635 211)	(4 139 779)	(4 635 211)
	-	-	-	-

PAYE, SDL and UIF

Current year subscription / fee	63 226 239	52 693 170	63 125 394	52 693 170
Amount paid - current year	(63 226 239)	(52 693 170)	(63 125 394)	(52 693 170)
	-	-	-	-

Pension and Medical Aid

Current year subscription / fee	56 599 122	76 470 506	55 865 965	76 470 506
Amount paid - current year	(56 599 122)	(76 470 506)	(55 865 965)	(76 470 506)
	-	-	-	-

VAT

VAT payable is made up VAT receivable from SARS based on VAT returns submitted as well as VAT output and VAT input accruals.

All VAT returns have been submitted by the due date throughout the year.

53. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2025:

Controlling Entity :

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Dladla ME (Mr)	1 420	-	1 420
Lake H (Ms)	573	-	573
	1 993	-	1 993

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Dladla ME (Mr)	1 704	4 054	5 758
Lake H (Ms)	356	-	356
	2 060	4 054	6 114

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

Economic Entity:

30 June 2025	Outstanding less than 90 days	Outstanding more than 90 days	Total
Dladla ME (Mr)	- 1 420	-	1 420
Lake H (Ms)	- 573	-	573
	- 1 993	-	1 993

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
Dladla ME (Mr)	- 1 704	4 054	5 758
Lake H (Ms)	- 356	-	356
	- 2 060	4 054	6 114

54. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	134 381 044	149 541 874	134 381 044	149 541 874
Used to finance property, plant and equipment	(128 367 581)	(142 805 437)	(128 367 581)	(142 805 437)
	6 013 463	6 736 437	6 013 463	6 736 437

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

55. Deviation from supply chain management regulations

Supplier	Date of Award	Description of goods	Reason for deviation	Award value
VRM Technology	09 April 2025	Internet service, Installation and setup	The service provider appointed could not deliver the required bandwidth and the agency reverted to the previously appointed provider to continue with operations	R23 126.00
Sbonga's Cleaning and Garden Services	06 January 2025	Cleaning services	the employed general assistance was admitted in hospital result a service provider was appointed to fulfill her duties	R111 900.00
WEQ4UCC	16 July 2024	Licensing of UMEDA Vehicles	The department of transport does not accept electronic transfers and the post office would not open an account for the agency due to the fact that it has less than 6 vehicles. A service provider was appointed to renew the vehicles on behalf of the agency	R18 539.70

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 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 reason for any deviations and reports them to the next meeting of the accounting officer and includes a note in the annual financial statements.

The municipality recorded deviations totalling nil (2024: Nil) in the current financial year.

56. Segment information

General information

Identification of segments

The municipality is organised and reports to management and governance structures on the basis of five major functional areas: Budget and Treasury, Community Services, Planning and Economic Development/LED/Tourism, Technical Services and Corporate services and other support services/units. These are based on municipal powers as cited on the IDP as well as municipal classification per the standard chart of accounts.

A segment is an activity of an entity:

(a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity.

(b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

(c) for which separate financial information is available.

Within these functional areas, three reportable segments were identified by management. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes

The identified reportable segments are as follows:

Community Services

Planning and Economic Development

Trading Services

56. Segment information (continued)

Aggregated segments

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered.

Types of goods and/or services by segment

The type of goods and services in these services are those consistent with the provision of basic services to municipal customers and community. The nature of the services generate economic benefits for the municipality as well improve the service potential of the municipality.

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56. Segment information (continued)

Segment surplus or deficit, assets and liabilities

Economic entity 2025

	Community Services	Planning and Economic Development	Trading Services	Total
Revenue				
Revenue from non-exchange transactions	2 034 136	2 980 088	980 644 972	985 659 196
Revenue from exchange transactions	-	-	524 258 991	524 258 991
Interest revenue from debtors	-	-	106 203 210	106 203 210
Other Income - Licences	157 095	-	361 134	518 229
Interest from investments	-	-	31 658 568	31 658 568
Total segment revenue	2 191 231	2 980 088	1 643 126 875	1 648 298 194
Municipality's revenue	2 191 231	2 980 088	1 643 126 875	1 648 298 194
Expenditure				
Salaries and wages	(112 525 343)	(15 075 945)	(245 701 763)	(373 303 051)
Other operational expenses	(14 896 377)	(3 322 095)	(47 695 382)	(65 913 854)
Remuneration of councillors and board members	-	-	(16 756 649)	(16 756 649)
Finance Costs	-	-	(15 204 210)	(15 204 210)
Depreciation and amortisation	-	-	(66 920 804)	(66 920 804)
Debt Impairment	-	-	(61 996 778)	(61 996 778)
Bad debts written off	-	-	(244 280 342)	(244 280 342)
Lease rentals on operating lease	-	-	(25 252 605)	(25 252 605)
Inventory consumed	(5 246 784)	-	(241 903 932)	(247 150 716)
Contracted services	(2 980 897)	(1 443 486)	(267 125 816)	(271 550 199)
Total segment expenditure	(135 649 401)	(19 841 526)	(1 232 838 281)	(1 388 329 208)

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56. Segment information (continued)

Inventories losses/ adjustments				(165 088 979)
Loss on disposal of assets				(449 465)
Actuarial gains / (losses)				(711 343)
Impairment of non current assets				(724 009)

Total expenditure reconciling items

94 465 387

Assets

Current Assets	-	-	349 731 425	349 731 425
Receivables from non-exchange transactions	-	-	9 889 140	9 889 140
Inventories	-	3 516 087	4 665 970	8 182 057
Non Current Assets	1 476 268	-	2 748 204 862	2 749 681 130

Total Assets

1 476 268 3 516 087 3 112 491 397 3 117 483 752

Liabilities

Current Liabilities	(139 426 179)	(8 707 635)	(155 199 648)	(303 333 462)
Non-current Liabilities	-	-	(184 061 072)	(184 061 072)

Total liabilities as per Statement of financial position

(139 426 179) (8 707 635) (339 260 720) (487 394 534)

Net Assets				2 630 089 218
Reserves				(67 264 998)
Accumulated Surplus				(2 562 824 220)

Total Net Assets

(139 426 179) (8 707 635) (339 260 720)(2 630 089 218)

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56. Segment information (continued)

Controlling entity - 2025

	Community Services	Planning and Economic Development	Trading Services	Total
Revenue				
Revenue from non-exchange transactions	2 034 136	-	980 604 973	982 639 109
Revenue from exchange transactions	-	-	524 258 991	524 258 991
Interest revenue from outstanding debtors	-	-	106 230 210	106 230 210
Other income -Licences	157 095	-	304 599	461 694
Interest from investments	-	-	30 508 914	30 508 914
Total segment revenue	2 191 231	-	1 641 907 687	1 644 071 918
Municipality's revenue				1 644 071 918
Expenditure				
Salaries and wages	(112 525 343)	(15 075 945)	(237 706 855)	(365 308 143)
Other operating expenses	(14 896 377)	(342 007)	(44 723 488)	(59 961 872)
Remuneration of councillors	-	-	(16 501 166)	(16 501 166)
Debt impairment	-	-	(61 996 778)	(61 996 778)
Depreciation and amortisation	-	-	(66 706 726)	(66 706 726)
Bad debts written off	-	-	(244 280 342)	(244 280 342)
Inventories consumed	(5 246 784)	-	(241 903 932)	(247 150 716)
Lease rentals	-	-	(25 004 850)	(25 004 850)
Finance cost	-	-	(15 204 210)	(15 204 210)
Contracted services	(2 980 897)	(1 443 486)	(267 125 816)	(271 550 199)
Inventories losses/adjustments	-	-	(165 088 979)	(165 088 979)
Loss on disposal of assets	-	-	1 260 944	1 260 944
Asset impairment	-	-	(724 009)	(724 009)
Actuarial gains /(losses)	-	-	(711 343)	(711 343)
Total segment expenditure	(135 649 401)	(16 861 438)	(1 386 417 550)	(1 551 628 389)
Total segmental surplus/(deficit)				92 443 529

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	Community Services	Planning and Economic Development	Trading Services	Total
56. Segment information (continued)				
Assets				
Current assets	-	-	213 192 676	213 192 676
Receivables from exchange	-	-	124 391 626	124 391 626
Receivables from non - exchange	-	-	9 889 140	9 889 140
Inventories	-	3 516 087	4 665 970	8 182 057
Non current assets	1 476 268	-	2 745 429 588	2 746 905 856
Total segment assets	1 476 268	3 516 087	3 097 569 000	3 102 561 355
Total assets as per Statement of financial Position				3 102 561 355
Liabilities				
Current liabilities	(139 426 179)	(467 409)	(155 199 648)	(295 093 236)
Non-current liabilities	-	(8 240 227)	(184 061 072)	(192 301 299)
Total segment liabilities	(139 426 179)	(8 707 636)	(339 260 720)	(487 394 535)
Reserves				(67 264 998)
Accumulated surplus				(2 557 001 294)
Total Net Assets				(2 624 266 292)

Following a change in the composition of its reportable segments, the corresponding items of segment information for earlier periods has been restated.

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56. Segment information (continued)

Measurement of segment surplus or deficit, assets and liabilities

The nature of differences between the measurements of the reportable segments' surplus or deficit and the entity's surplus or deficit and discontinued operations

The municipality applies the same measurement basis on the information disclosed for the reportable segment as that of the municipal financial statements, except for departmental charges which are allocated between the departments based on consumption, expenditure incurred or any other relevant basis of allocation agreed-upon by the respective departments. On the municipal financial statements, departmental charges are eliminated. There are no other allocations to the reportable segments.

Information about geographical areas

Although the municipality operates in several geographical areas across different regions, the necessary information for disclosure of geographical information is not available and the cost to develop it is anticipated to be excessive.

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57. Budget differences

Material differences between budget and actual amounts

Income

58.1 Service Charges budget amount is based on estimated consumption, during the year consumption went below the level that was estimated. Consumption is driven by individual consumer usage. There were water curtailment measures applied by Umgeni Water during the financial year.

58.2 The interest earned on investments was below the budget estimate. Short term investments made during the year were withdrawn during the third quarter..

58.3 The increase in interest on outstanding debtors is, mainly, due to the increase of gross consumer debtors from R1 219 821 889 to R1 295 654 394.

58.4 The municipality received re-imbursive grant funding from SETA and SANBI and this funds were spent during the current financial year.

Expenditure

58.5 The over-expenditure on employee-related costs was driven by unexpectedly high leave payouts from contract terminations affecting leave provisions, and unforeseen non-cash movements in post-retirement benefits that were not included in the original budget, standby and overtime allowances.

58.6 The increases in depreciation is due to the completed capital projects, capitalised in the current financial year.

58.7 The decrease in impairment is due to debt write offs effected during the current year.

58.8 The increase in debt write off : was due to indigent balances of R244 million as at 31 March that were written off

58.9. The inventory consumed was due to the increase in bulk water purchases and VIP toilets.

58.10 Savings were realised in Operational costs, the municipality is committed in monitoring and controlling operational expenditure through the implementation of the Cost Containment Policy.

A decrease was due to the drop in fuel cost, hire charges and protective clothing.

Entity

a - The Howick falls phase two was budgeted to be complete by the year end and revenue to be recognised.

b - The savings on the board fees was due to late start in the board committees.

c - The anticipated move from the current premises did not materialise.

d - The construction of Howick falls phase two did not materialise as budgeted.

58. Accounting by principals and agents

The entity was a party to a principal-agent arrangement(s).

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58. Accounting by principals and agents (continued)

Details of the arrangement(s) is / are as follows: Details of the arrangement(s) is / are as follows:

During the 2024/25 financial year, the Agency entered into an agreement with the new owner of the Maritzburg Show Grounds, being Vu-Tact Trade & Investment (Pty) Ltd (VUT) with the purpose to collaborate with each other in pursuit of the achievement of set objectives in relation to economic growth poverty alleviation and job creation through the management and promotion of the Royal Show Grounds as a destination to host events festivals shows and other entertainment or sporting activities. The Agency was appointed as implementing agent to promote and manage the Royal Show Grounds Events on behalf of the Principal (VUT) in lieu of rental for the facility known as the Wood Rite building. The agreement commenced on 01 July 2024 and was terminated on 01 November 2024.

Entity as agent

Revenue recognised

As part of the MoU, the Agent promoted and managed the Royal Show Grounds Event held on behalf of the Principal in lieu of rental for the facility known as the Wood Rite building. The market value of the rental amount of the Wood Rite building is R10 000 per month for a period 1 July 2024 to 1 November 2024. - The Agent has recognised a Agency Administration Fee of R40 000 in the Financial Statement of Performance

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Category(ies) of revenue received or to be received on behalf of the principal, are:

Category(ies) of expenses paid or accrued on behalf of the principal, are:

Amount of revenue received on behalf of the principal during the reporting period

Revenue received or to be received on behalf of the principal	6 546 051	-	-	-

Amount of revenue to be received on behalf of the principal during the reporting period

Amount of expenses paid on behalf of the principal during the reporting period

Expenditure paid or incurred on behalf of the principal -	6 546 051	-	-	-

Amount of expenses accrued on behalf of the principal during the reporting period

Resources (including assets and liabilities) of the entity under the custodianship of the agent

The resources have been recognised/have not been recognised by the agent in its financial statements. [Choose as appropriate]

The remittance of resources during the period [State details].

The expected timing of remittance of remaining resources by the agent to the entity, are [State timing and details].

The expected timing of remittance of remaining resources by the agent to third parties, are [State timing and details].

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58. Accounting by principals and agents (continued)

Resource or cost implications for the entity if the principal-agent arrangement is terminated, are [State information/discussion].

[Provide additional info as appropriate]

Fee paid

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

The resource and/or cost implications for the entity if the principal-agent arrangement is terminated, are [State information/discussion].

[Provide additional info as appropriate]